DOCUMENT RESUME

ED 277 624 SO 017 811

AUTHOR Gregor, A. James

TITLE Crisis in the Philippines: A Threat to U.S. Interests.

INSTITUTION Ethics and Public Policy Center, Washington, DC.
REPORT NO ISBN-0-89633-087-7
PUB DATE 84
NOTE 126p.
AVAILABLE FROM Ethics and Public Policy Center, 1030 15th Street, NW, Washington, DC 20005 ($6.00).
PUB TYPE Viewpoints (120)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Capitalism; Economic Climate; Economic Development; Economic Factors; Fascism; Foreign Countries; *Foreign Policy; Government (Administrative Body); *Government Role; *International Relations; *National Security; Reference Materials; Resource Materials; World Affairs
IDENTIFIERS *Foreign Aid; *Philippines

ABSTRACT

The special relationship between the United States and the Philippines is chronicled, and the potential threats to that relationship are exposed and evaluated. Special attention is paid to imposition of martial law by Marcos from 1972-1981. The human rights of the Filipino people during martial law, development programs implemented by Marcos during martial law, and the failure of those programs are reviewed. There is a chapter on the crisis following the assassination of Benigno Aquino and its implications for United States--Filipino economic and security relations. Currently, the greatest danger facing United States interests in the Philippines is the possibility of economic collapse. Recommendations for the United States to support its interests are given. A profile of the Philippines, a Philippine chronology from 1898 to the present, and an index are included. (APG)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED277624

Crisis in the Philippines

A Threat to U.S. Interests

A. James Gregor

Foreword by Senator Howard H. Baker, Jr.

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

Raymond English

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☒ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

Policy and Public Policy Center
Washington, D.C.

SO017811

THE ETHICS AND PUBLIC POLICY CENTER, established in 1976, conducts a program of research, writing, publications, and conferences to encourage debate on domestic and foreign policy issues among religious, educational, academic, business, political, and other leaders. A nonpartisan effort, the Center is supported by contributions (which are tax deductible) from foundations, corporations, and individuals. The authors alone are responsible for the views expressed in Center publications. The founding president of the Center is **Ernest W. Lefever.**

Library of Congress Cataloging in Publication Data
Gregor, A. James.
Crisis in the Philippines

Includes index.
1. Philippines — Politics and government — 1946-
2. Philippines — Economic conditions — 1946-
3. Philippines — Relations — United States. 4. United States — Relations — Philippines. I. Title.
DS686.5.G74 1984 959.9'04 84-21124
ISBN 0-89633-087-7

$6.00

© **1984 by the Ethics and Public Policy Center.** All rights reserved.
Printed in the United States of America.

To Adrian the younger,
Who will one day serve the Philippine people

Contents

Foreword *by Senator Howard H. Baker, Jr.* ix

Map xii

Republic of the Philippines: A Profile xiii

Chronology From 1898 xvi

1 The Special Relationship 1

The Political and Sentimental Ties *3*
The Economic Connection *12*
The Security Interest *15*
The Special Relationship *23*

2 The Martial-Law Regime 26

The Human-Rights Issue *28*
The Development Program *35*
Failures of the Program *42*

3 The Crisis 48

The Political Problems *49*
The State of the Economy *51*
The Assassination of Aquino *54*
The Anti-Aquino Factions *58*
The Multiple Impact *61*

4 The Alternatives 66

The "Christian" Opposition *69*
The "Moderate" Opposition *74*
Opposition From the Roman Catholic Church *78*
Opposition From the Makati Business Club *81*
The Political Outlook *82*
Recommendations for U.S. Policy *86*

Appendix: U.S.-Philippine Mutual Defense Treaty 93

Notes 95

Index of Names 107

Foreword

MANY THIRD WORLD COUNTRIES at one time or another have claimed a "special relationship" with the United States, but in the case of the Republic of the Philippines the claim is solidly grounded both in history and in current realities. The U.S. victory in the Spanish-American War ended more than 300 years of Spanish rule, and in 1901 the U.S. Navy imposed sovereignty over the Philippine archipelago of some 7,100 islands. In 1944 the United States liberated the islands from the Japanese occupation that had followed the attack on Pearl Harbor. It granted full independence two years later.

Two contemporary realities further undergird the historic relationship between Washington and Manila: the significant level of trade and investment between the two countries, and a common interest in security and stability in the western Pacific. The latter is codified in the 1951 Mutual Security Treaty signed and ratified by both governments (see the appendix). The Philippines are host to two major U.S. military facilities, Clark Air Force Base and Subic Bay Naval Base.

From its first day of independence in 1946, the government in Manila has struggled to establish a democratic republic on the U.S. model. But racial and ethnic tensions, an authoritarian Spanish tradition, grave economic problems, and a series of insurrections have conspired to prevent its full achievement.

President Ferdinand Marcos was elected to office in 1965. He declared martial law to deal with subversion and insurgency in 1972 and lifted it in 1981. Although his regime has not provided full political and civil rights to the Philippine people, they do enjoy the right to elect their leaders and to oppose the government. In the May 1984 elections, which were relatively peaceful and vigorously contested, 74 opposition and independent candidates won seats in the 183-member National Assembly.

The Marcos regime is controversial at home and abroad. His supporters claim that he and his party alone have the understanding and

will to maintain internal security and promote economic growth. His critics decry his imposition of martial law and other emergency measures and his failure to extend the full range of rights we take for granted in America. They also deplore the current economic depression.

In contrast to those eager either to condone or to condemn every aspect of the Marcos government, A. James Gregor, the author of this slim volume, draws a carefully balanced portrait of the achievements and shortcomings of that regime and of the opposition forces that seek to replace it. He evaluates the political and economic options confronting Manila and their implications for stability and economic growth in the islands as well as for peace in the Pacific. His analysis of the murder of opposition leader Benigno Aquino at the Manila airport on August 21, 1983 — an act that threw the country into an economic and political crisis — is thoughtfully developed.

Professor Gregor focuses on the impact of internal Philippine problems on U.S. security interests in the Pacific and on the relations between the two allies. Both Manila and Washington recognize the growing Soviet threat from Vladivostok to Vietnam, the tension between the People's Republic of China and Taiwan, and North Korea's designs on South Korea. They also recognize the Philippines' important role, in concert with the United States, in promoting regional stability.

I commend this thoughtful book to serious Americans who seek a better understanding of the mutual economic and security interests of the Republic of the Philippines and the United States.

HOWARD H. BAKER, JR.

Washington, D.C.
September 10, 1984

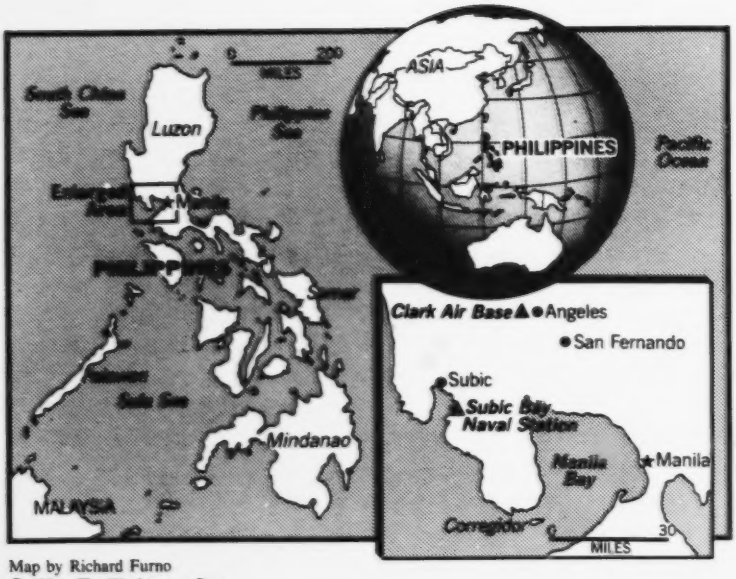
Senator Baker (R-Tennessee) is Majority Leader of the U.S. Senate and a member of the Foreign Relations Committee and of its subcommittees on Asian affairs.

Publisher's Note

A. JAMES GREGOR is a professor of political science at the University of California (Berkeley) and the principal researcher for the Pacific Basin Project of the university's Institute of International Studies. He is the co-author with Maria Hsia Chang of *The Republic of China and U.S. Policy: A Study in Human Rights*, published by the Ethics and Public Policy Center in 1983. Among other books by him is *The Iron Triangle: An American Security Policy for Northeast Asia*.

This is the third study in the Center's Pacific area project. The first was Paul Seabury's *America's Stake in the Pacific* (1981) and the second the Gregor-Chang *Republic of China and U.S. Policy*. Each is intended to contribute to a better understanding of the problems and responsibilities of the United States and its allies in maintaining peace in a vital region threatened by both Moscow and Beijing. The facts selected and the views expressed are those of the author.

8



Map by Richard Furno
© 1984, *The Washington Post*

BEST COPY AVAILABLE

Republic of the Philippines: A Profile

GEOGRAPHY: The Republic of the Philippines is an archipelago that lies in the Pacific Ocean to the east of the southeast Asian mainland and the South China Sea. It is composed of some 7,100 islands and islets with 299,404 square kilometers (115,600 square miles) of land surface. Over 95 percent of the population is concentrated on eleven of the larger islands, of which Luzon in the north and Mindanao in the south are the largest. Between these two are seven other large islands and over 3,000 islets that form the Visayan Group. The republic has a coastline of approximately 13,000 kilometers (about 8,000 miles). Major cities include Manila, Quezon City, Davao, and Cebu.

POPULATION: By mid-1983 the population of the Philippines exceeded 53 million. Population growth averages about 2.5 percent per year. Approximately 43 percent of all Filipinos are under fourteen years of age. Over 60 percent reside in the rural areas. The overwhelming majority are of Malayo-Polynesian derivation. Six major languages and eighty-seven dialects are spoken on the islands. English is one of the two languages of instruction in the public schools, along with the native Pilipino (a derivative of Tagalog). Eighty-three percent of Filipinos are Roman Catholic, 9 percent are Protestant, 5 percent are Muslim, and the rest belong to minor religions and sects.

THE ECONOMY: The Philippine economy is a market-governed system dominated by the private sector but with a large public component. Manufacturing (as of 1981) generated about 26 percent of the Gross National Product (GNP); agriculture, fishing, and forestry, 25 percent; wholesale and retail trade, 21 percent; service industries, 12 percent; construction, 8 percent; transport and communications, 5 percent; mining, 2 percent; and utilities, 1 percent.

Foreign trade amounts to about $10 billion (as of 1982), with $6 billion in imports and $4 billion in exports (resulting in a $2 billion negative balance). About 25 percent of Philippine imports originate in, and 33 percent of its exports are destined for, the United States. Japan and the nations of the Middle East are also important trading partners. About 3 percent of Philippine foreign trade is with socialist countries.

In 1981 there were approximately 19 million adults in the work force—51 percent of them in agriculture, 19 percent in service industries, 12 percent in manufacturing, 11 percent in commerce, 4 percent in transportation, and 3 percent in construction. The national literacy rate is about 88 percent, among the highest in East Asia. Schooling is free and compulsory through primary school for children between the ages of seven and twelve. In 1982 there were 8.2 million students attending primary school, 2.8 million in secondary schools, and 1.2 million at the college and university level.

THE ARMED FORCES: The Republic of the Philippines devotes less than 2 percent of its GNP and about 13 percent of the national budget to the maintenance of its armed forces. The president exercises supreme military authority, followed by the minister of national defense (currently Juan Ponce Enrile), and then by the military chief of staff (currently General Fabian Ver), who presides over the General Military Council. Professional military personnel number about 115,000; paramilitary forces account for another 90,000. The armed forces have tripled in size since the declaration of martial law in 1972.

The Philippine Army is composed of 70,000 enlistees, with 96,000 reserves. It has four light infantry divisions, one independent infantry brigade, one special services brigade, two construction brigades, and one light armored regiment (equipped with seven M-41 light tanks, twenty-eight Scorpion light tanks, forty-nine M-113 armored personnel carriers, and twenty V-150 Commando armored personnel carriers). The Army has sixty Bell UH-1H Huey helicopters in inventory and deploys 150 105mm and sixteen 155mm howitzers.

The Navy has a total strength of 28,000 (including 10,000 marines), with 12,000 in reserve. These personnel man seventeen submarines, seven frigates, eleven corvettes (all of World War II vintage), sixteen large patrol craft, four hydrofoil and sixty-one

coastal patrol craft, two minesweepers, and one search-and-rescue squadron. The six marine battalions are equipped with landing vessels, armored personnel carriers, and artillery (including 105mm howitzers).

The Philippine Air Force is composed of 16,800 uniformed personnel, with 16,000 reserves. The Air Force deploys about eighty-five combat aircraft in three fighter-bomber squadrons, three counterinsurgency squadrons, six transport squadrons, one search-and-rescue squadron, one helicopter squadron, one liaison squadron, and three training squadrons. The most modern units in the Air Force include sixteen Northrop F-5A ground-attack aircraft, twenty-five F-8H Crusader fighter-bombers, and eighteen OV-10 Bronco counterinsurgency aircraft.

There are about 43,000 members of the Philippine Constabulary (which undertakes lesser operations against insurgents) and 46,000 members of the Integrated National Police.

Philippine Chronology From 1898

1898	U.S. defeats Spain in Manila Bay; Philippine Islands transferred to U.S.
1899	Revolutionary forces declare Philippine independence; long period of warfare begins that leaves legacy of hatred for U.S.
1934	Tydings-McDuffie Act promises independence to Philippines in 1945, after ten years of self-government under U.S. tutelage
1935	Philippine commonwealth and constitution established
1941	Japan invades and occupies Philippines
1944	U.S. defeats Japan at Leyte Gulf in Philippines
1946	Philippines become independent republic with Manuel Roxas as first president
1947	U.S.-Philippines sign military assistance pact; U.S. gets 99-year lease on military bases (later shortened)
1948	Elpidio Quirino becomes president after sudden death of Roxas
1953	Ramón Magsaysay becomes president
1957	Carlos García becomes president after Magsaysay's death in plane crash
1961	Diosdad Macapagal becomes president

1965	Ferdinand Marcos becomes president
1969	Marcos becomes first president reelected to second term
1970	Civil disorder spreads: demonstrators storm Marcos residence, riot against U.S. embassy; during visit of Pope Paul VI attempt is made on his life
1972	Marcos declares martial law
1973	New constitution increases powers of president
1981	Martial law lifted; Marcos elected to six-year renewable term in election largely boycotted by opposition forces
1983	Opposition leader and former senator Benigno Aquino assassinated at Manila Airport upon return from self-imposed exile
1984	Elections for national legislature greatly increase strength of anti-Marcos forces

CHAPTER ONE

The Special Relationship

THE REPUBLIC OF THE PHILIPPINES occupies a singular place in the history of the United States. The Philippines are the only place in Asia—in fact, one of the very few places anywhere—that the United States once ruled as a colonial possession.

Originally a port of call for Yankee traders on their long voyage to China, the Philippines became a source of sugar, pepper, hides, and hemp by the end of the nineteenth century. American investors and merchants found operations in the Philippines notoriously risky, however, and by the time the Spanish-American War brought Commodore George Dewey's fleet to Manila Harbor to do battle with the Spanish flotilla on the night of April 30 and the morning of May 1, 1898, there was very little in the way of immediate economic interest to make the islands of special concern to Americans.[1] As a consequence, the administration of President McKinley entertained very uncertain intentions toward the Philippines when it began negotiations with Spain at the close of the war.

The situation was complicated by the fact that between the time of the American victory over the Spanish fleet and the conclusion of the war, revolutionary forces under the command of Emilio Aguinaldo had wrested control of the archipelago from Spain. Aguinaldo's forces proclaimed Philippine independence on June 12, 1899. With the cessation of hostilities between the United States and Spain, Washington found itself faced with the problem of how it would deal with the newly liberated islands. The Filipinos clearly expected the United States to recognize the sovereign independence of their new nation, and perhaps afford it protection.[2] For Washington, the issues were far more complex.

The Philippine revolutionaries declared their independence at a most inauspicious time. It was the high tide of European imperialist expansion. The British had gained control of South Asia and had recently extended their grasp to Burma. The French had defeated the Chinese in Southeast Asia and had assumed administrative control of northern Vietnam. The Germans and the Russians had begun to carve out their spheres of influence on the Chinese mainland.

It was not surprising, therefore, that Dewey's fleet had encountered elements of the Imperial German fleet off the Philippines. The British had indicated to the Americans that the armed forces of Wilhelmine Germany were prepared to intervene in the Philippines if the islands were not fully secured. Beyond that, it seemed reasonably certain that if the United States withdrew from the archipelago the Spanish might attempt to reestablish their control. In either case, American interests would suffer. Washington was loath to allow Germany to establish itself in the Philippines, and it did not wish to be responsible for the bloodshed that would inevitably follow any attempt by Madrid to reaffirm its authority over the islands.

On the other hand, any attempt to provide protection for a fledgling republic would embroil Washington in exacting and unpredictable commitments far from the continental United States. Those commitments would have to be made to a new revolutionary government about which the political leadership in Washington knew virtually nothing and whose behavior it could not control.

For a considerable time, discussions in Washington left the issue unresolved. At first the McKinley administration opted to control only Manila and its harbor as a forward base for U.S. naval operations and as a commercial center for Asian trade. This was the recommendation of the American naval strategist Alfred Thayer Mahan. Leaders of the Democratic party, on the other hand, were opposed to any acquisition whatever. William Jennings Bryan and former president Grover Cleveland argued that the United States, as a republic, could hold no foreign possessions. The industrialist Andrew Carnegie and other prominent Americans were adamantly opposed to assuming sovereignty over lands that were not expected to become integral parts of the United States.

Ultimately, a decision was made to take control of the archipelago until circumstances permitted liquidation of this new colonial relationship. Acquiring that control, however, involved the United States in a long and devastating war of suppression in which both sides committed shocking atrocities. The legacy of hatred left by that conflict has resurfaced frequently among Filipinos since then.

At the time of its military campaign on the islands, the United States clearly signaled its intention to give the Philippines their independence eventually. Almost immediately after the "pacification" of the archipelago, the United States introduced a number of programs calculated to modernize and extend public education, develop an adequate communications and commercial infrastructure, create an efficient civil bureaucracy, and give Philippine agriculture preferential access to the American market.

These programs convinced many Filipinos of the benign intentions of the United States and indelibly fixed in the minds of many Americans the conviction that the occupation of the Philippine Islands was undertaken to create the "first democracy" in Asia. For many Americans of the period, and for many Americans today, the U.S. occupation was justified by the fact that as a consequence of that occupation the Filipinos were successfully "trained for democracy."

For over forty years the United States exercised substantial control over many aspects of life in the Philippines. American authorities defined the nature of the political relationship between Filipinos and their government. American authorities organized school curricula, influenced the content of the public media, and defined the collection of civil and political rights that could be enjoyed. At no other time would the United States be in a position to create a political system almost entirely in its own image, not even in occupied Germany and Japan after World War II.

The Political and Sentimental Ties

As a consequence of that history, political circumstances in the Philippines continue to possess a peculiar psychological and moral significance for Americans. Americans like to believe that the U.S. occupation of the Philippines served to introduce democratic

institutions into a despotic and authoritarian Asia. Given that conviction, it is readily comprehensible why a great many Americans felt betrayed in 1972 when Ferdinand E. Marcos, as president, imposed martial law on the Philippine republic. When the U.S. Congress held hearings on the human-rights implications of the imposition of martial law, many witnesses asserted that the new restrictions on civil and political rights in the Philippines violated the U.S. legacy of democratic traditions.[3]

It is clear that many Americans feel that the United States has a moral and historic investment in Philippine democracy. In some sense or another, to many Americans the Philippines remain an extension of the United States, infused with its values, speaking its language, and caught up in its culture.

This has produced a curious kind of ambivalence. Many Americans feel a kinship with Filipinos that they do not share with other Asians. While many (perhaps most) Americans know very little about the Philippines, Filipinos are invariably ranked above almost all other Asians on traits valued by Americans. As late as 1980, among a probability sample of Americans queried, respondents conceived the standard of living enjoyed by Filipinos (per capita GNP about $800) to be about that of Saudi Arabians ($16,000) and superior to that of the Chinese on Taiwan ($2,600) or the citizens of Singapore ($4,000). The Americans surveyed also believed that the Philippines were more stable politically than North Korea, India, or Singapore. They generally considered Philippine products to be superior in quality to those made in South Korea or Singapore. Finally, despite the fact that enduring problems have characterized life in the islands since the early 1970s and that news coverage of political opposition and dissidence has been prevalent for almost as long, 49 percent of the Americans questioned said they had a "favorable" opinion about the administration of civil rights in the Philippines, and another 8 percent had a "very favorable" opinion.[4] In short, Americans are well disposed toward the Philippines and are prepared to extend that country the benefit of the doubt whenever there is room to do so. All this seems to be a consequence of almost half a century of shared history.

The mistaken notions that attend this kind of empathy are not difficult to anticipate. Americans tend to imagine that Filipinos are

more like Americans than they really are—or could be. Filipinos are expected to satisfy American normative standards, which very often are ideal, rather than real, standards of conduct. When Filipinos fail to meet those standards, Americans tend to be more critical of them than they are of the citizens of other developing countries.

Americans tend to see in the Philippines a successful cross-cultural political transfer. In school, Americans are taught that the United States introduced pluralistic and democratic political institutions into the Philippines. And it is a fact that, at least until 1972, much of the political organization of the Philippines bore a remarkable resemblance to that of the United States. The tripartite structure of government, the nature of political roles, the constitutional arrangements, the plethora of committees and congressional commissions, the competitive two-party system—all clearly imitated the American original.

A Semblance of Democracy

Actually, among the more sophisticated, it is now widely acknowledged that for nearly fifty years the political system of the Philippines was "too democratic" for its level of economic development.[5] Unlike lay Americans, most empirical social scientists are prepared to recognize a connection between indexes of wealth, income distribution, industrialization, education, and urbanization, and the development of stable pluralistic political institutions. It is commonplace among American political scientists to argue that political democracy is somehow a function of certain system requisites and prerequisites. Without at least a modest and equitably distributed affluence, an appreciable measure of industrial development, and relatively high degrees of literacy and urbanization, political democracy is fragile at best.[6]

Given such an assessment, the appearance of a pluralistic political system in the Philippines constituted something of an anomaly among less developed countries. The American occupation produced a semblance of political democracy in the Philippines despite the absence of some critical preconditions. Under the well-intentioned ministrations of its colonial rulers, the Philippines acquired all the trappings of political democracy, in which election to

public office took place under a system of multiparty competition and in which all the traditional liberties of Western democracy were aggressively asserted and enjoyed by an educated urban minority. With few of the prerequisites that American political scientists conceived to be essential to competitive democracy, the Philippines became the first, and for a considerable length of time the only, politically competitive and pluralistic system in Asia.

The Republic of the Philippines thus seemed to be an exception to the empirical generalizations entertained by contemporary political science. It had become a democracy on a social base of traditional kinship groups. It was a Western-style democracy whose population was largely isolated in rural enclaves and languished in oppressive poverty. As recently as the early 1970s, the World Bank estimated that over a third of all Filipinos lived in conditions of absolute poverty. That impoverishment was further characterized by the same maldistribution of income that afflicts almost every less developed country in the modern world. In the early 1970s, the 20 percent of the Philippine population earning the least income received only 3.9 percent of the total national income, while the 20 percent of the population with the highest income received 54 percent.[7]

The Philippines were a diverse and poorly integrated country composed of over 7,000 islands divided into ethnolinguistic regions where six major languages and eighty-seven dialects were spoken. The islands also had many ill-assimilated religious minorities. Nonetheless, by the early 1970s a competitive political system was attempting to stabilize an economically disadvantaged society enduring the tensions of swift economic change—change that disrupted traditional patterns of behavior and brought with it rising expectations, rapid and disorderly urbanization, social alienation, and an increasing number of unemployed and "declassed" intellectuals produced by a burgeoning educational system.[8]

The fact is that the Philippines were probably never a convincing exception to the reasonably well-established generalizations concerning the socioeconomic requisites for a stable political democracy. The political system was always flawed—how flawed depends on the judgment of each commentator.[9] For their part, many Filipinos have maintained that the U.S. occupation at the

turn of the century imposed an alien and manifestly inappropriate political system on the Philippines, remote from its traditions and unresponsive to its immediate problems. What resulted, they say, was only a caricature of the American model.[10]

Politics for the Elite Only

The inappropriateness of the American "way of politics," the argument proceeds, was evident from the very start. In the first elections administered by Americans, the suffrage was effectively restricted to the propertied elites, allowing political power to remain in the hands of a privileged and well-entrenched minority to the exclusion of the impoverished agrarian masses. Out of a population of nearly eight million at the turn of the century, only 1.4 percent voted in the national elections that marked the birth of Philippine democracy.[11]

The pattern of political control established at that time has persisted. The critics of democracy in the Philippines have insisted that despite the subsequent extension of suffrage, competition for political office in the Philippines remained the preserve of the economically dominant elites. Access to political office required the patronage and support of the privileged and the wealthy. As a consequence, neither political party represented a particular point of view. The parties were simply agents for the election of candidates who pursued only their own personal interests and those of supportive special-interest groups.[12] The non-elite population was made to serve elite political purposes in the periodic elections through a variety of devices that included exploitation of dependency relations, bribery, and outright violence.

In effect, this view holds that the Philippines were no exception to the general rule that effective political pluralism can be established and prosper only in the presence of certain critical preconditions. Effective pluralism, according to this account, never existed in the Philippines, and the liberal democracy so carefully crafted by the Americans was little more than a sham and an illusion.[13] Members of the dominant elite, or their representatives, rotated in office, with political contests being nothing more than a method of determining who would enjoy special advantages in exploiting the general population.

Variants of this argument have been used to explain or justify the advent of martial law in the Philippines in 1972. In the view of the radical left, the imposition of martial law at that time merely represented, in aggravated form, the continuity of the "dictatorial rule" of the privileged classes.[14] Until 1972 the established political parties had perpetuated the "false illusion of democratic choice. But [the] political parties [were] nothing but the external trappings of comprador-landlord dynasties perpetuating themselves in power." In the elections regularly held in the Philippines "the local exploiting classes have always seen to it that only the political parties and the candidates subservient to their interests [were] politically permitted and financially capable of running for elective positions in the bureaucracy."[15]

Even Filipinos who cannot be identified with the radical left have characterized the pre-martial-law political system of the Philippines as "an unrelenting conflict of interest rather than the Lincolnian ideal of a government of, by, and for the people."[16] In an effort to render martial law comprehensible, Leon Maria Guerrero alluded to the American system introduced into the Philippines as one grafted on a "society of semi-feudal landlords and unlettered peasants, a society of arrogant contrasts between palaces and hovels. . . . The experience of the Filipinos with this system, after it had been imposed by the colonial regime, had been of parties that were not parties but unprincipled coalitions of the rich, the powerful, and the unscrupulous; of elections that were essentially meaningless exercises in fraud, terrorism, bribery, and demagoguery." In Guerrero's judgment, the Republic of the Philippines was not a developed nation but one of the struggling communities of the Third World, burdened by the "plagues of endemic poverty, corruption, economic stagnation, and inequality."[17]

The judgment of Carlos Romulo, one of the most astute politicians produced by the Philippines, is remarkably similar. For Romulo, the American conquest of the Philippines had imposed a "highly sophisticated political system . . . on a society still feudal in many respects; an egalitarian base, the necessary foundation of any democratic system, was lacking; real participation in the political and economic life of the country was limited to the small upper classes; the required minimum of affluence in a broad seg-

ment of the population still had to be attained." Romulo insisted that the "experiment in the classical Western democratic forms . . . had failed and threatened disastrous consequences" in the Philippines.[18]

Thus, while some informed Americans were convinced that "the Philippines [seemed] definitely over the watershed of democratic political development"[19] in the years before the imposition of martial law, many in the Philippines felt that the political arrangements inherited from the U.S. occupation had contributed to the growing dysfunctions of the entire system. More and more Filipinos spoke of their nation as a sick society, afflicted with a "political cancer."[20] The Philippines were no less than a "social volcano" that was on the verge of an eruption.[21] Even political moderates spoke of an anticipated revolution in the early 1970s, one that would be accompanied by massive violence.[22] It was said that "in spite of some arguments by a few academicians and optimistic economists that it may never come, there is reason to believe that the revolution has already set in. . . . It may not come as a big bang. . . . But when it comes, it will presage final change, and it will be violent because there is no language now which the oligarchy will understand but that of power—naked and brutal."[23]

The Start of Maoist Revolution

As though to give substance to all this, by 1968 the Communist Party of the Philippines had undertaken a program of "self-rectification" and, taking its cues from the thought of China's Mao Zedong, had launched armed revolution in the countryside. The Communists expected collateral support from an urban "united front" composed of "progressive" students, journalists, and government employees. The Maoist revolutionaries anticipated financial assistance from monied industrialists and entrepreneurs who found pursuit of their interests hampered by the "semifeudal" system.[24]

The notion that the Communists could put together a revolutionary "united front" was borrowed from Chinese Communism, but its potential for working mischief in the Philippines was evident. The Philippines have a history of peasant uprisings that extends

back to the Spanish occupation, and such uprisings have occurred on an average of once every twenty years.[25] The radical students who sought to organize the peasants of the countryside had every reason to believe they could harness that elemental force in the service of Maoist revolution.

The campus of the University of the Philippines had become a staging area for Marxist revolutionaries in the 1960s, and as student radicals graduated into professional work they began to replace more orthodox journalists, editors, and commentators in the Manila media. It was during the late 1960s and early 1970s that the Philippines *Free Press* and *Graphic Magazine* took on a Marxist and "anti-imperialist" coloration, followed by similar changes in the *Manila Times*. Radical candidates made considerable inroads into the leadership of the National Press Club, apparently supported by funds from Communist parties overseas.[26]

The Maoist revolutionaries thus had every reason to expect support from urban "progressives." This urban support would involve not only "propaganda teams" but "armed city partisans" as well. These "partisans" were expected to demoralize the government through acts of sabotage and to tie down much of the government's capacity for response.[27] Funding for all this was expected from foreign Communist parties as well as from local "bourgeois" elements who sought to destabilize the system in the hope of some immediate gain. There is good evidence that funds were received from both sources.[28]

The number of acts of organized violence in the Philippine countryside rose from 60 in 1967 to 196 in 1969, in part because of deteriorating circumstances in rural areas, in part as a consequence of increased urban-based ideological mobilization, and in part because of increased financial support. At the same time, partially as a reaction to the crescendo of mayhem, the number of private armies maintained by landowners and local politicians increased to over 150 on the island of Luzon alone. All these armed elements engaged in periodic firefights that took an increasing toll among both combatants and noncombatants. It is estimated that more than half a million weapons were wielded by those private groups—weapons that ranged from revolvers, combat rifles, and fully automatic submachine guns to rocket launchers and, in at least one case, an armored fighting vehicle.

Meanwhile, demonstrations in the cities became increasingly violent as radical students mobilized the unemployed and the marginally employed. By the end of 1970 more than 250 major demonstrations had marred the political life of the nation. Thirty-three of these demonstrations ended in violence, with fifteen persons killed and over 500 injured. In mid-January 1970, student demonstrators massed directly in front of the presidential palace. On January 26 the president himself was physically attacked by demonstrators, and four days later students carrying Maoist banners and proclaiming their advocacy of "Commander Dante [the military leader of the Maoist New People's Army in the countryside] for President" penetrated the gates of the presidential residence and set fire to two cars before security personnel could disperse them with tear gas.

For weeks after the attack on the presidential palace, street demonstrations rocked the capital city. Demonstrators stoned the U.S. Embassy, the Manila Hilton, and other symbols of "American imperialism" and "feudalism." At the same time, the city was disrupted by an increasing number of work stoppages and strikes. The number of strikes between 1968 and 1970 was among the highest in Philippine history.[29]

Early 1972 saw a series of bombings in Manila directed at power plants, telephone installations, waterworks, financial institutions, political buildings, courts, and commercial structures. In July of that year it was reported that an arms shipment destined for Dante's New People's Army had been intercepted by Philippine authorities. The shipment reportedly contained 3,500 M-14 rifles, as well as rocket launchers, automatic weapons, and communications equipment.

By the late summer of 1972 the Republic of the Philippines had entered into the critical phase of a long domestic crisis, a crisis involving the survival of democratic institutions. Many Filipinos were not certain that those inherited institutions could contain the crisis.

Martial Law Proclaimed

The ultimate response to the crisis was the proclamation of martial law on September 21, 1972. On the basis of provisions in the Philippine Constitution that sanctioned the imposition of mar-

tial law in the event of "invasion, insurrection, or rebellion, or imminent danger thereof" or when the "public safety requires," President Marcos assumed control of what the proclamation called "the entire government, including all its agencies and instrumentalities."[30] The Republic of the Philippines had embarked on an experiment in "constitutional authoritarianism."

For many Americans, as indicated earlier, this departure from democratic practice was tantamount to betrayal of a shared history. There was an understandable sense of resentment among American intellectuals that the government of the Philippines had overtly departed from ideal American political practice. For critics in the U.S. Congress, the appeal to martial law impaired the "American legacy to the Philippines." American academics felt that the Philippines had an obligation to "preserve" that legacy.[31]

Most Americans feel they have a moral investment in the political well-being of the Philippines, but how they hope to protect that investment remains unclear. Their concern expresses itself in a rather wide range of responses to events in the islands. The drama of Philippine politics since the declaration of martial law in 1972 has played itself out against this background of abiding American concern.

The Economic Connection

Beyond the somewhat unusual relationship between the two countries in terms of American expectations about Philippine political behavior, there have been other, more orthodox interactions. One is a fairly substantial U.S. involvement in the islands' economy, an involvement that persists to this day.

After the war with Spain in 1898 inextricably engaged the United States in the future of the Philippines, U.S. policies were the consequence of a number of intersecting factors. One was the prospect of trade relations with Imperial China. Like most of the Western powers in the nineteenth century, the United States anticipated that the opening of China to commerce would create a market of incalculable dimensions for Western commodities, and the American business community thought that just such a market would be necessary to sustain U.S. growth and prosperity. For a

brief period at the close of the century there was a general conviction among American business and political leaders that the domestic market of the United States had been saturated and that other markets would be required.[32] The Philippines seemed able to serve as a coaling station and support base for American merchant ships traveling to Chinese ports and for combat vessels to protect this anticipated American traffic.

The first U.S. governor of the Philippines was William Howard Taft, who began the rehabilitation of the archipelago after the devastation that attended Philippine resistance to U.S. occupation. Taft was convinced that the United States was obliged to act as a steward for the interests of the Philippines, and he was equally certain that free trade would bring prosperity and an overflow of American investment that would sustain rapid economic growth and development in the islands.[33]

Unfortunately, almost all the ideas that shaped U.S. policy toward the Philippines around the turn of the century proved incorrect. It was not the case, for example, that the U.S. domestic market was saturated. In the first decade of the twentieth century the growth of new technologies produced vast new markets within the United States. By 1910 the first U.S. automobile plants had been capitalized at about $200 million, the first tractors were being manufactured, and the electrical industry had begun to manufacture appliances. One consequence was a significant decline of interest in foreign markets and foreign investment.

Moreover, the "China market" remained remarkably small. Between 1900 and 1910, annual U.S. trade with China stagnated at about $42 million, and by 1914 U.S. investors had committed less than $50 million to domestic Chinese enterprise. The United States sent only about 3.5 percent of its total exports to the entire Asian market.[34]

Trade and investment in the Philippines proved no more attractive. The only American product imported in significant quantities into the Philippines in the first decades of the twentieth century was cotton goods, and it took U.S. manufacturers a considerable time to outsell British products in the islands. Even then, sales amounted to only $4.1 million. By 1917 the United States annually exported about $28 million in goods to the islands. Only in

the years just before the Second World War did exports reach $100 million annually.

The expected inflow of American capital into the island economy also failed to materialize. Banking institutions considered investments so far from the continental United States entirely too risky. There was some U.S.-government-guaranteed investment in railroads and public utilities, and some in large-scale agriculture, but American business interest was slight. At the time the Philippines achieved independence in 1946, U.S. business had $268 million invested in the islands. Of that amount, only $163 million could be classified as direct investment, the remainder being savings and reinvestment from locally generated profits.[35]

The entire pattern of economic relations between the Philippines and the United States prior to World War II reveals that maintenance of the islands as an administrative colony was anything but a paying venture. The expense of maintaining military bases in the islands, for example, far offset any profits that accrued to Americans in general. It is estimated that securing the Philippines and establishing military facilities cost something like $170 million between May 1898 and April 1902. Annual garrison and naval costs from 1902 onward averaged between $6 million and $50 million, while the costs of constructing fortifications and logistics infrastructures in the archipelago amounted to about $150 million by 1923. By the mid-1930s the accumulated costs of security assurance and maintenance totaled at least $500 million.

Conjoined with the expense of maintaining security in the archipelago was the cost of sustaining the marriage of convenience between American sugar producers and Philippine suppliers of the raw product. Beginning in 1909, Philippine sugar was permitted free entry into the U.S. market at assured prices that averaged about twice the prevailing world market price. In other words, the United States subsidized the Philippine economy to the extent of the difference between the price paid by American importers of Philippine sugar and its price on the world market.[36] For local Philippine agricultural interests this amounted to an annual bounty of approximately $200 million.[37]

Between 1909 and the mid-1930s, Philippine exports to the United States exceeded American sales in the Philippines by nearly

$400 million. Further, the revenue that the United States lost by waiving import duties on Philippine goods vastly discounted any American profit. The profits made by American business interests in the Philippines were negligible when measured against the greater amount expended by American taxpayers to maintain the U.S.-Philippine colonial relationship.

By the mid-1930s it had become evident to Washington that the colonial arrangement was manifestly unprofitable.[38] There were clear signs of this as early as 1910. By 1916, with the passage of the Jones Act, it became part of the statutory intention of the United States to grant independence to the islands. The subsequent delay in granting that independence resulted as much from Philippine indisposition to sever economically profitable ties as from American reluctance to risk losing a strategic military outpost.

The Security Interest

The U.S. reluctance to give up control over the islands was due to an increasing awareness in Washington that Japan was becoming a serious threat to the peace and security of East Asia. After its victory over China in 1895, Japan controlled the island of Formosa (Taiwan), providing the Japanese Imperial Navy with a staging area in close proximity to the South China Sea and Southeast Asia. After World War I the Japanese gave further evidence of an expansionist disposition, and by the time of Hitler's accession to power in Germany in 1933 a coalition between Japan and antidemocratic forces in Europe had become a real possibility.

By the middle of the 1930s the U.S. military bases in the Philippines had assumed the importance of front-line defenses. Despite a shameful congressional unwillingness to spend money to bolster those bases, the U.S. military argued for their retention as critical positions in the perimeter defense of the United States and support facilities for any actions that would have to be taken against Japanese aggression. The events of World War II revealed both the accuracy of the military assessment of the Philippine bases and U.S. inadequacy in preparing for their defense.

Thus, although the original U.S.-Philippine relationship was defended on economic grounds, it soon became obvious that the

continued relationship could be defended only in political and strategic terms. The U.S. policy was to grant independence to the islands as soon as that independence could be assured in an era of contending imperialisms and in circumstances that would foster the establishment of democracy and a market-governed economy, but those goals could be achieved only through a continued U.S. military presence in the islands that would assure sustained peace and security throughout East Asia.

Nonetheless, the costs of maintaining the relationship became politically untenable with the advent of the Great Depression, and in 1934 the Tydings-McDuffie Act committed the United States to granting Philippine independence in 1946. In the interim, World War II intervened, and both the United States and the Philippines emerged victorious into circumstances that rapidly became highly complicated.

The end of the war brought only a temporary cessation of hostilities in Asia. For a time there was hope that a victorious Republic of China, allied with the United States, might lead in establishing a reasonable measure of security in continental and insular Asia. But the victory of the Communist revolution on the Chinese mainland in 1949 and the North Korean attack on the south in 1950 foreclosed any such possibility. Escalating tensions throughout Asia, the expansion of Communist forces in Vietnam, and the protracted conflict on the Korean peninsula all contributed to the significance of secure military bases in the Philippine archipelago.

The Agreement on Bases

The United States and the Philippines negotiated an initial agreement on military bases in 1947. Under the agreement, the United States obtained the right to "unrestricted use" of sixteen bases, including Clark Airfield and the Subic Bay Naval Base, with an option to use seven more bases. Access to the bases was to be provided "rent free" for ninety-nine years (that is, until the year 2045). At the outset, the bases were to serve as critical links in the chain of facilities that served as repair and replenishment stations for the U.S. fleet in discharging its complex responsibilities in the western Pacific. With the collapse of Nationalist Chinese resistance on the mainland, the bases began servicing the

U.S. Seventh Fleet, which assumed the task of patrolling the Taiwan Strait to insure the security of the remnants of the anti-Communist Republic of China on Taiwan.

During the early 1950s, when the Hukbalahap revolutionaries mounted a campaign against the newly independent government of the Philippines and the Soviet Union chose to help supply and finance their enterprise,[39] the American bases gained a new function. It was extensive U.S. assistance, including the presence of U.S. forces on the ground, that foreclosed the possibility of a successful rebellion. The U.S. military, in effect, provided the Philippines with a cost-free domestic defense at a time when all its resources were needed to rehabilitate its war-torn economy. The cost to the American taxpayer during the first post-independence decade was about $1 billion.

Since that time the significance of the U.S. bases has increased, in terms of both their strategic importance and their contribution to the Philippine economy. The bases are the second-largest employer in the Philippines, ranking behind only the Philippine government itself, and the money spent on their maintenance pumps about $300 million annually into the islands' economy. The U.S. military presence thus accounts for 5 to 6 percent of the total domestic national product. Between 1946 and 1976 the Philippines received about $876 million in direct military-assistance grants from the United States as indirect compensation for use of the bases.[40] Since 1979, however, the United States has provided direct compensation. The first such commitment involved $500 million in military and economic assistance over a five-year period. A 1983 amendment to the original agreement provided for further military and economic aid in the sum of $900 million over five years.

During the war in Vietnam the Philippine bases provided logistic support facilities for U.S. combat forces. Since then, their strategic importance has increased dramatically. The buildup of Soviet land forces in East Asia and the rapidly expanding blue-water capabilities of the Soviet Pacific Fleet have made the Philippine bases vital to U.S. interests and essential to the defense of all the countries in the region.[41] Currently, thirty or forty Soviet combat and support vessels are stationed at Cam Ranh Bay in Vietnam, and Soviet aircraft based in Danang carry out regular reconnais-

sance of the South China Sea. These Vietnamese bases provide Moscow with forward positions in the region occupied by Thailand, Indonesia, Singapore, Malaysia, and the Philippines, all members of the Association of Southeast Asian Nations (ASEAN).

The Soviet Pacific Fleet now has about 550 combat ships, including 135 submarines (of which sixty-five are nuclear-powered), the aircraft carrier *Minsk*, eighty-three major combat vessels including *Kara* and *Krivak* class missile cruisers and destroyers, and about 330 smaller ships. The fleet is supported by about 2,000 combat aircraft, among them 175 medium- and long-range machines, including as many as 100 Backfire bombers.

The unstated premise of the collective defense policy of the ASEAN community is the continued presence of U.S. armed forces at Subic Bay and Clark Field.[42] Given an American capability to offset the growing Soviet forces, the nations of ASEAN can devote most of their resources to economic development rather than military expenditures.

Beyond their concern about the growing Soviet threat in the region, most of the ASEAN countries have grave reservations about the future role of the People's Republic of China in the territories within and surrounding the South China Sea. The mainland Chinese have supported revolutionary factions in every member nation of ASEAN. Moreover, they have raised claims against certain territories in the South China Sea, claims that are intrinsically destabilizing. Increasing activity by the Soviet Union in the area merely highlights Beijing's potential for mischief.

The South China Sea affords passage not only for the ship traffic that sustains the major trading nations of Asia but also for vessels that resupply Soviet bases in the Far Eastern provinces of the Soviet Union. These ships pass through critical chokepoints that could be sealed by mines and interdicted by shore defenses in times of conflict, although they are controlled by international law in times of peace. Control of these chokepoints, and therefore of the waterways, depends largely on who has possession of the islands, cays, banks, shoals, and reefs of the South China Sea.

Under these circumstances, the South China Sea has become increasingly dangerous ground for all the countries of the region.[43] The increasing tension in the area is partly a consequence of

changing concepts of the Law of the Sea. Because the international community is now prepared to allow states to claim submarine prolongation of national territory to the outer edge of the continental margin, or 200 nautical miles offshore, much of the South China Sea has become contested waters. Vietnam, the People's Republic of China, the Republic of China on Taiwan, Thailand, Malaysia, Brunei, Indonesia, the Philippines, and probably Singapore all have conflicting claims on the subsea and subsoil resources of the region. More ominously, some claim legal control over chokepoints and critical sea passages.

Territorial Claims of the PRC

For its part, the People's Republic of China has insisted that all the islands, banks, reefs, cays, and sandbars in the South China Sea are "inalienable and sacred national territory." These claims extend south along the islands of Luzon and the Palawan in the Philippines, and along the coasts of Brunei and Malaysia, and north along the coast of Vietnam to bisect the Gulf of Tonkin.[44] Beijing's insistence on its territorial claims has been so determined that in 1974 it seized the Paracel Islands from a South Vietnamese garrison and has steadfastly refused to negotiate with Hanoi concerning their future.

Had Beijing's armed forces had the aircover and amphibious capabilities necessary to reach the Spratly Islands (about 150 nautical miles from the Paracels) in 1974, there is little doubt that the Chinese would have invaded them too. The central Spratly Islands are currently garrisoned by forces from Vietnam, the Republic of China, and the Philippines.

The strategic importance of the Spratlys has increased. The Soviet navy uses the waters of the Macclesfield Bank, located between the Paracels and the Spratlys, as a mid-sea anchorage during transits from Northeast to Southeast Asia. Because of the importance of the region, the Vietnamese, acting as surrogates of the Soviet Union, have insisted that they will "raise further the fighting strength and combat readiness [of their forces] to defend the sea areas, offshore islands [and the continental shelf]."[45] The Republic of the Philippines, in turn, has claimed six of the Spratly Islands, renamed them the Kalayaan Island Group, and incorpo-

rated them as a municipality of Palawan Province.[46] For its part, the Republic of China on Taiwan maintains a garrison on several of the Spratlys.

The Spratly Islands lie astride the principal trade routes through the South China Sea, and any power that controls the islands can control ship passage to the Indian Ocean and Northeast Asia. For the Soviet Union, free passage through the region is essential for the maintenance and resupply of its Far Eastern forces. For the PRC, Soviet control of these waterways would help to complete an "encirclement" by a power Beijing has every reason to fear. Given recent developments in Law of the Sea concepts, any nation establishing a claim over the Spratlys might invoke "archipelagic rights" that would allow it to restrict ship passage through its waters in times of "crisis." Should either China or Vietnam gain possession of the Spratlys, it could claim the legal right to control passage through these critical sealanes.[47] As long as present circumstances obtain, with the Republic of China on Taiwan occupying Itu Aba in the Tizard Bank and the Philippines occupying the Reed Bank and the islands of Nanshan and Thitu in the central Spratlys, the situation is defused. The present degree of stability will continue as long as there is a dominant U.S. military presence in the region. Without that presence, the situation would become problematic. In that sense U.S. military forces in the Philippines constitute a major stabilizing factor for all of Southeast Asia.

It remains unclear whether mutual security arrangements (see the appendix for the 1951 U.S.-Philippine treaty) would entail a U.S. defense of Philippine interests if an external attack were launched against islands claimed by Manila in the Spratlys.[48] Whatever the case, it seems evident that the presence of major U.S. naval and air units acts as a significant deterrent. Only when the United States was distracted by Vietnam did the People's Republic of China choose to gamble by seizing some of the islands in the South China Sea. Similarly, any major withdrawal of U.S. forces from the Philippines might well tempt either Moscow or Beijing to further action and thereby involve the entire region in armed struggle.

The ability of the United States to move its forces into the region is a critical variable in the configuration of factors that

shapes events in Southeast Asia. At a time of crisis, a delay of days could significantly affect the outcome. It took the forces of mainland China only two days to suppress the Vietnamese garrison on the Paracel Islands in 1974. Vietnamese forces, sustained by Soviet collateral support, could no doubt do as well against the Philippine and Taiwanese Chinese garrisons in the Spratlys, and perhaps as well against the mainland Chinese in the Paracels.

As the Soviet Union consolidates its position in Indochina, the U.S. military presence in the Philippines will become that much more critical. U.S. strategic policy in the area is essentially a deterrent policy, an effort to complicate Soviet risk assessments. The only realistic U.S. response to the Soviet buildup in Indochina is a corresponding replenishment of its own forces. If at one time it could be argued that either ASEAN or the United States could put together a realistic security policy for Southeast Asia without basing U.S. forces in the Philippines, that position is no longer tenable.[49] Guam is four days away by ship, its harbor is too small to accommodate large-deck aircraft carriers, and its repair and maintenance facilities are grievously inadequate. Bases in the U.S. Pacific Trust Territories would require a decade of construction, would be extremely expensive, and might become untenable for political reasons. Bases in Japan or Hawaii that are comparable to Subic or Clark are too far away to allow the United States to intervene effectively in local crises.[50]

Responding to Philippine Grievances

U.S. recognition of the importance of the Philippine bases has been reflected in the efforts made by Washington to satisfy all legitimate Philippine grievances over the continued U.S. presence. Since the beginning, many Filipinos have felt that the U.S.-Philippine agreement on the bases violated Philippine sovereignty. The original agreement allowed the United States to use a considerable amount of land in the Philippines and to use it for purposes determined in Washington rather than Manila.

By the mid-1950s the U.S. government had become sensitive to these objections, and on several occasions it has formally affirmed full Philippine sovereignty over the bases. Moreover, U.S. ambassador Charles Bohlen and Philippine foreign minister Felixberto

Serrano signed a memorandum of agreement in 1959 that required Washington to consult with Manila before using the bases for operations in Southeast Asia.

A subsequent U.S. representative, William McCormick Blair, Jr., negotiated an amendment to the bases agreement in the mid-1960s that gave the Philippine government jurisdiction over off-duty offenses committed by American personnel on or off the military bases. In effect, the United States revised the criminal-jurisdiction provisions of the agreement to conform to the NATO status-of-forces formula, an arrangement that fully satisfies the sovereignty and jurisdictional concerns of America's allies in Europe. In 1966, U.S. secretary of state Dean Rusk and Philippine foreign minister Narciso Ramos initialed an accord that formally established 1991 as the termination date of the bases agreement.

In 1979 the United States agreed to consolidate the bases into four "active facilities," and the area associated with the bases was radically reduced. About 90 percent of the land area of Clark Field and 45 percent of that at Subic, in addition to most of the waters of the bay, reverted to Philippine control. Moreover, U.S. authorities agreed to renegotiate the agreement every five years.

The last revision to the agreement, in 1983, once again allowed the United States "unhampered military operations" at the base sites, qualified by language stating that Manila would be informed of the level of U.S. forces permanently stationed in the Philippines at any given time and that Philippine authorities would be given prior notification of any "major changes in [U.S.] equipment and weapon systems." The United States affirmed that it would "take all measures within its authority to ensure" that all members of its armed forces, their dependents, and civilian employees would respect domestic Philippine law.

The United States has clearly demonstrated the measure of importance it assigns to the Philippine bases. It has assiduously attempted to satisfy all demands concerning Philippine sovereignty over the bases. The extension of economic and military assistance to Manila was at least in part a consequence of the effort to reduce Philippine resistance to continuing the bases agreement. In the postwar period the United States has given more than $2 billion in direct grants to the Philippines for economic development and has

supplemented this with over $1 billion in military-assistance grants, quite independent of the $1.4 billion pledged as compensation for use of the bases in the agreements of 1979 and 1983.

The maintenance of U.S. access to the military bases in the Philippines involves the interests not only of the United States and the Philippines but also of all the countries of East Asia. The very existence of those bases acts as a major deterrent to military adventure by either the Soviet Union (or its surrogates) or the People's Republic of China. The security of ASEAN and the credibility of American determination to protect the peace turn on the capabilities represented by the U.S. forces stationed on the archipelago. Much of the substance of the special relationship between the United States and the Philippines is now embodied in the security arrangements that afford continued U.S. access to the bases.[51]

The Special Relationship

The U.S.-Philippine relationship entered into a substantially new phase when the islands achieved independence in 1946. Washington's primary concern was with the maintenance of an adequate security arrangement, an arrangement that had implications for overall U.S. strategic policy as well as for the security of the Philippines. Nonetheless, there remained a sustained interest in the economic development of a community that was of fundamental importance to the United States. To that end, there was an effort to stimulate American investment. A "parity arrangement" that would accord Americans the same property rights as Filipinos, insisted upon by U.S. officials at the time of independence, was calculated to attract American capital. In addition, several U.S. commissions were charged with aiding the developmental progress of the islands.

American capital then began to flow into the Philippines at rates that exceeded those of the colonial period. In 1946 there was approximately $268 million of U.S. investment in the Philippine economy. By 1962 that sum had increased to $375 million. By 1968 the estimated total investment by Americans had reached $650 million. Between 1970 and 1981 the United States provided

about 50 percent of all direct foreign equity investment in the Philippines, a sum of about $900 million. Thus, by 1982, Americans had invested about $1.5 billion in book value in the Philippines (about $3 billion in estimated market value).[52]

Although there has been an evident increase in U.S. direct investments in the Philippines since the country achieved its independence, economic investment there is not crucial to overall U.S. interests. U.S. investments in the Philippines make up no more than 0.5 percent of total U.S. foreign investment and a little less than 2 percent of all U.S. investment in developing countries.[53]

In 1981, trade between the Philippines and the United States amounted to about $3.5 billion, about 0.8 percent of total U.S. global trade and just under 7 percent of total U.S. trade with Asian developing countries. These figures, while not negligible, are not significant in terms of total U.S. foreign trade. Although some U.S. corporations have sizable investments in the islands and maintain important trade and financial relations with them, American economic activity in the Philippines has relatively little impact on the overall economic well-being of the United States.

For the Philippines, on the other hand, U.S. economic ties are of fundamental importance. About 25 percent of all external Philippine economic activity is with the United States, which is the source of about 23 percent of Philippine imports and provides markets for about 30 percent of Philippine exports. While the U.S. share of the islands' market is down significantly from 1946 because of the diversification in Manila's trading partners, the United States remains critically important to the Philippine economy.[54]

American investors have contributed about one-half of all direct foreign equity investments in the Philippines. Since 1950 the average annual growth rate of U.S. investment there has been approximately 7.3 percent, and U.S. financial institutions have supplied about 20 percent of all the revolving and fixed-term credits advanced to the Philippines.[55] Moreover, U.S. funds also are made available through contributions to the World Bank and the International Monetary Fund.

Thus, while U.S. economic relations with the Philippines are of marginal importance to the United States, those relations are of critical importance to the Philippines. In a significant sense, the

importance of the Philippines to U.S. security interests is the counterpart of the importance of the United States to the Philippine economy. Any serious disruption of the special relations between the two countries could only produce major security and economic dislocations: American loss of the Philippine bases could very well destabilize the entire Southeast Asian quadrant, and disruption in the trade and financial arrangements between the Philippines and the United States might gravely impair the economy of the islands.

Since the turn of the century the United States and the Philippines have had a special relationship that has at times been flawed by mutual misunderstanding, sins of omission and commission, considerable confusion, and even perversity. But for all that, the ultimate interests of both countries have been served by their complex and durable connection. That connection is now threatened by a crisis that could jeopardize not only the well-being and future political development of the Philippines but also the security and stability of all East Asia.

CHAPTER TWO

The Martial-Law Regime

THE PRESENT CRISIS IN THE PHILIPPINES has deep historic roots. In a sense the agricultural and land-tenure system established by the occupying Spanish during the eighteenth and nineteenth centuries has as much to do with current problems as any recent occurrence. The present chapter, however, focuses on the martial-law period, September 1972 through January 1981, as the immediate backdrop for the protracted crisis that has gripped the country since 1982.

The 1935 constitution of the Philippines specified conditions that would allow the suspension of habeas corpus and the imposition of martial law. The constitution allowed government security forces to arrest persons as a preventive measure—without direct evidence of wrongdoing—during a national crisis. Under similar circumstances the government was allowed to impose martial law, that is, to allow the military to assume judicial functions in circumstances involving national security.

The 1935 constitution also allowed the president to suspend habeas corpus and impose martial law whenever "invasion, insurrection, or rebellion, or imminent danger thereof" existed, or "when the public safety requires." In accordance with those provisions, President Marcos suspended habeas corpus rights in August 1971 after a bombing of the Plaza Miranda by unknown persons took the lives of most of the leadership of the Liberal party. Because of revolutionary activity in the countryside under the leadership of the Maoist Communist party, Marcos held that there was constitutional sanction for such a suspension.

26

Later that year, the Philippine Supreme Court upheld the constitutionality of the suspension. After inquiries into the factual basis for the suspension the court concluded: "We entertain . . . no doubt about the existence of a group of men who have publicly risen in arms to overthrow the government and have been and still are engaged in rebellion against the government of the Philippines."[1]

Since conditions for the suspension of habeas corpus are precisely the same as those for the imposition of martial law, the facts that sanctioned the suspension of habeas corpus in December 1971, all things being equal, also sanctioned the proclamation of martial law nine months later. In the interim, the situation had probably deteriorated. However great the debate over whether martial law was justified, it is evident that the proclamation had constitutional sanction. Even the most acerbic critics of the Marcos regime granted that "with the spreading violence and upheavals in the old Philippine social and economic structure, martial law seemed the only way for the salvation of [the] poor and ravished country."[2] Marcos himself is probably correct in asserting that "on the basis alone of the Communist insurgency, . . . martial law [could have been proclaimed] earlier."[3]

Since 1955, international courts have adjudicated instances of derogation from internationally recognized political and civil rights in similar circumstances and have allowed such derogations when—as the European Convention for the Protection of Human Rights and Fundamental Freedoms puts it—"war or other public emergency [threatens] the life of the nation."[4] The right to suspend the exercise of recognized rights under such conditions is similarly incorporated in article 4 of the European Convention on Civil and Political Rights and article 4 of the U.N.'s International Covenant on Civil and Political Rights.

The European Court of Human Rights, which hears cases brought before it by individual petitioners in the European community, has held that the phrase "public emergency threatening the life of the nation" should be broadly construed to refer to an "exceptional and imminent situation of crisis and emergency which affects the whole population and constitutes a threat to the organized life of the community of which a state is composed." In

judging an executive decision to restrict civil and political rights, said the European Court, one must put oneself "in a position of the person or persons whose acts are judged, and . . . investigate—setting aside any emotional or personal consideration—whether those persons had manifestly behaved unreasonably or arbitrarily."[5] This was the kind of judgment made by the Philippine Supreme Court in upholding the suspension of habeas corpus, a judgment that would apply equally well to the imposition of martial law.

The proclamation of martial law thus was not only sanctioned by provisions of the 1935 constitution but also compatible with the relevant international covenants and regional conventions. The confirmed existence of two insurrectionary movements, those of the Maoist Communist party in the north and the secessionist Muslim rebels in the south, constituted sufficient grounds for emergency action. Both groups had received moral and probably material support from foreign powers and deployed enough firepower to constitute a real and imminent threat to the lives of Filipinos and to peace and order.

But the real issue is not whether the recourse to martial law was constitutionally sanctioned. It is whether the powers conferred on the president by martial law could be legitimately used to revolutionize Philippine society, which is what Marcos wanted to do. Martial law was not only to be used to restore order and protect property. It was to be used to initiate vast changes in society over which the population of the Philippines would have little control.

The Human-Rights Issue

The immediate effect of martial law was to restrict the civil and political rights of Filipinos. It is estimated that as many as 50,000 persons suspected of revolutionary sympathies were apprehended during security sweeps that followed the proclamation. The difficulties of housing and feeding such a number, not to speak of informing their relatives, resulted in violations of one or more of the legal rights of detainees. Security forces, suddenly overwhelmed by new responsibilities, found themselves confronted with supply and communications problems that led to technical, and sometimes substantive, violations of rights.

Most of those detained were subsequently released, and by May 1975 the government was able to inform Amnesty International that no more than 6,000 persons remained in official custody.[6] By the end of 1980, fewer than 1,000 persons were being held as security risks or as violators of public order.[7]

It is important to recognize that even the best-established democratic governments have sometimes employed emergency powers under circumstances deemed threatening to the state. During World War II, for example, the United States interned more than 100,000 Japanese-Americans (many of them native-born citizens) under conditions that violated their civil and political rights. Moreover, in dealing with suspected subversives and saboteurs during that war, the U.S. government suspended the traditional protective rules of evidence and dealt with presumed offenders—rendering judgment and exacting punishment—through administrative rather than judicial procedures.

The British government has operated in much the same fashion during the protracted disturbances in Northern Ireland, and the government of Israel has used emergency powers and preventive detention in dealing with Arabs in Israel and in Israeli-occupied territories. In fact, the Israelis have used emergency powers for about thirty-five years in dealing with perceived threats to their national security.

The Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights explicitly recognize the right of states to restrict civil and political rights in times of public emergency. Such rights might include those of association, expression, petition, and travel. However, these covenants expressly prohibit governments from violating certain more fundamental rights, including the right to life and the right to protection against summary deprivation of life. Moreover, it is understood that under no circumstances is it appropriate for the state to subject its citizens to torture or to cruel, inhuman, or degrading treatment. It was concern for these fundamental rights that stirred the interest of human-rights groups in the Philippines and the United States.

The controversy over human rights turned on violations of the fundamental rights protected by both international convention and Philippine constitutional law.[8] That such violations have occurred in the Philippines is not a matter of dispute. In 1978, President

Marcos himself reported on seventy-nine cases of alleged torture and mistreatment involving 141 detainees, some of whom were said to have died from the abuse.[9] In 1980 he made reference to "isolated cases of torture and brutality" and to alleged murders that had occurred in the Philippines.

A Question of Number

What remains a matter of controversy is the frequency of, and the responsibility for, such infractions. In its 1975 report, Amnesty International said that of 107 Philippine prisoners it interviewed, 71 claimed to have suffered torture and other forms of mistreatment.[10] In 1981 a similar report listed 49 cases (involving 181 persons) for which evidence was available alleging, among other abuses, arbitrary killings and torture.[11] In 1979, Richard P. Claude reported that while no reliable and comprehensive data on the number of those who had been tortured were available, clandestine publications had printed the names of more than 400 persons so mistreated by the Philippine security services.[12]

In other words, some data suggest that major violations of human rights during the martial-law period in the Philippines were limited to several hundred cases. An attempt has been made to estimate more accurately the frequency of violations by using the government's reports on the number of military personnel tried and punished for abuses against civilians and violations of the military code of conduct. Unfortunately, the figures vary widely. Apparently the most comprehensive figures were those used by President Marcos himself in a speech marking the lifting of martial law in January 1981. At that time he said that more than 8,000 officers and enlisted men had been dismissed from the armed forces during the period of martial law for various offenses, including abuse of civilians.[13] He gave no indication, however, of how many of the discharges were imposed for violations of human rights. The bulk of the dismissals were apparently for taking leave without permission.

More relevant is a 1979 report of the minister of defense, Juan Ponce Enrile, that provides information on why military personnel were punished. Along with a host of offenses that have little bearing on human-rights questions, 515 cases of "murder/homicide"

and 604 cases of "abuse of authority/physical injuries/and maltreatment" are listed in the reports.[14] It seems probable, however, that some of the cases of murder/homicide and physical abuse occurred in circumstances other than the line of duty—i.e., not during the performance of official security duties.

Perhaps the most comprehensive account of human-rights infractions in the Philippines is found in a confidential memorandum prepared by the Presidential Security Command in August 1982. That document, prepared exclusively for internal circulation, provides an "executive summary" of the human-rights complaints received by the government from 1972 to 1982. Since the memorandum was prepared for President Marcos, it is probably not only the most comprehensive report on the subject but the most credible as well.

The inclusive list recorded 1,701 complaints of serious human-rights infractions involving 4,228 persons. The summary memorandum provides narrative accounts of only 62 cases involving about 1,300 persons. Among the cases reviewed are reports of alleged massacre and summary execution. The memorandum also includes instances of alleged torture, general mistreatment, and illegal arrest. Since only 62 of the 1,701 complaints are dealt with in any detail, it is impossible to calculate what the overall frequency of any of the specific complaints might be.

Of the sixty-two cases, the government found merit in ten. Five other cases were still under investigation when the summary was prepared, while the remaining forty-seven were deemed to be unsupported by credible evidence.

However one chooses to interpret the incomplete, fragmentary, and often contradictory data, it seems evident that the Philippines endured a period in which substantial violations of fundamental human rights took place with some frequency. Of the perhaps 50,000 persons detained under the provisions of martial law between 1972 and 1981, as many as several hundred may have died at the hands of security personnel. In the sixty-two cases reviewed by the Presidential Security Command, the Ministry of Defense found prima facie evidence of eighteen murders. Twenty-two other apparent murders were still under investigation. Given the timidity of witnesses, fears of reprisal, and the possible unwillingness of

security personnel to pursue inquiries with zeal, it is probable that such offenses occurred with a frequency higher than what was reported even in confidential government documents.

Aberrations or Policy?

Whatever the numbers of serious human-rights infractions in the Philippines, one of the more important questions is whether those infractions can be attributed to government policy. Amnesty International sought "direct evidence of . . . explicit policy on the part of the government" and reported that the evidence available was "inconclusive."[15] In a 1976 report to the Committee on International Relations of the U.S. House of Representatives, the U.S. State Department contended that the "evidence indicates that instances of torture and maltreatment represent aberrations and are not the results of explicit government policy at the political level."[16]

There is no direct evidence to the contrary. All evidence available suggests that the government has attempted to preclude such violations by issuing explicit codes of conduct to security personnel on the apprehension, incarceration, and treatment of suspects and prisoners.[17]

At the same time, the available data do not allow a convincing assessment of how assiduously the government pursues the prosecution of those charged with violating these codes. At one time the government was apparently receiving complaints about misconduct by security forces at a rate of about 150 a day. While the bulk of those complaints probably had nothing to do with human rights, it is evident that official agencies would simply have been overwhelmed by their number. Many complaints no doubt received only perfunctory attention.[18]

Since 1975, the most serious reports of human-rights infractions have come from remote areas where security forces have been engaged in irregular combat with insurgents. Both the conditions of combat and the remoteness from Manila contribute to an environment of lawlessness and violence that makes violations of human rights probable. The Philippines have a long history of political violence. Political gangs have long operated in the more inaccessible regions, and the turmoil created by insurrection and

guerrilla combat has contributed to their persistence. How much of the homicidal violence in the Philippines can be attributed to such outlaw groups as "Rock Christ," the "Lost Command," the "Charismatic Movement of the Philippines," the "Ilagas," or the "4Ks" is impossible to determine. Equally difficult to determine is whether the government is in any way implicated in their prevalence, their activities, or their orientation.

The human-rights record of the government of the Philippines under emergency conditions has been better than that of its immediate neighbors in Southeast Asia. The country has remained more open to critical scrutiny than almost any other in the region. Amnesty International, the International Commission of Jurists, and the International Committee of the Red Cross, as well as a mission from the United Church of Christ, have—with Manila's permission—undertaken investigations. Critical journalists and U.S. congressmen have made regular trips to the islands and have filed critical reports, largely without government obstruction. In the judgment of David Steinberg, "it is clear that Marcos's rule has been relatively benign rather than brutal, except in special cases. He has operated along the grain of existing Philippine patterns."[19]

The record in other Asian countries is far worse. Almost one-sixth of the population of Kampuchea perished in massacres conducted by the Pol Pot government. In Maoist China, millions were swept away in government-initiated programs of mass murder and repression. In socialist Vietnam, hundreds of thousands were forced to flee their native land or move to "new economic zones" by the government, and many thousands have remained for almost a decade in "reeducation centers." In Marxist-dominated Laos, hundreds of thousands have been driven from their homes to seek refuge in surrounding countries. In all these cases, the offending states were hermetically sealed against foreign scrutiny. Even Indonesia, facing many of the problems that precipitated martial law in the Philippines, has responded with far heavier repression.

None of this serves to exonerate the government of the Philippines. It merely serves to put that regime's lesser violations in perspective. That the infractions were not more numerous and indiscriminate is actually rather surprising, given the history of human-rights violations in Asia since the end of World War II.

What can be said is that the martial-law government, assuming the vast powers afforded by the emergency, made itself responsible for orderly and lawful administration of a nation in crisis. By arrogating to itself the almost unrestricted powers of martial rule, the central government of the Philippines became charged with the duty of protecting all Filipinos. With the invocation of martial law, the Marcos government took on a much larger obligation to protect the interests of the people than any antecedent nonauthoritarian government. In doing so, the government also became more responsible for human-rights infractions than any prior government of the Philippines.

The failure of the martial-law government to protect fully the rights of all its citizens was probably due to behavior patterns that long predated the crisis of the 1970s. The inadequacy of institutional defenses contributed to that failure, and the dismantling of the formal guarantees with the imposition of martial law compounded the threats.

With power concentrated in the executive branch during the period of martial law, the credibility and effectiveness of other Philippine political institutions diminished. The legislature ceased to exist as a representative institution, and the judiciary lost much of its independence. While the Roman Catholic Church and private human-rights groups remained active throughout the period and provided substantial assistance to those who felt their rights had been violated, an adequate defense of individual and collective rights requires a political system that is robust and diversified enough to ensure responsiveness to citizen interests.

Since the lifting of martial law in 1981, there has been a substantial, if gradual, restoration of constitutional guarantees of civil and political rights and a reconstruction of the institutional infrastructure designed to insure defense of these rights. The present political system remains essentially authoritarian, dominated by the Kilusang Bagong Lipunan (KBL)—a political organization created by President Marcos. Although the Philippine constitution of 1973 is basically democratic and easily amendable,[20] the existence of armed revolutionaries in open conflict with the security forces of the Philippines, the threat of terrorist activities in urban centers, the mounting pressures produced by economic dislocation,

and the generous powers exercised by President Marcos will make the complete restoration of democratic political and civil rights and supporting institutions very problematic. Nonetheless, democratic institutions are so much a part of the political experience of the general population that a restoration of representative democracy is not beyond reach in the long term. How rapidly progress can be made will be influenced by the economic crisis.

It is important to appreciate how much Philippine politics is a function of economic variables. Unrest in the countryside, for example, clearly reflects local economic conditions. Peasant unrest seems to follow directly from declines in employment opportunities and farm yields. Recruitment of new members into the Communist New People's Army or the Muslim revolutionary bands increases or decreases according to economic conditions.[21]

Marcos specifically identified a "deteriorating economy" as one of the major reasons for the imposition of martial law in 1972.[22] The current economic crisis is a continuation of problems already apparent twenty years ago, when the economic system's malfunctions revealed themselves in stagnant agricultural productivity, fitful and unbalanced growth in the industrial sector, widespread unemployment, declining real income, and inequitable distribution of benefits. The changes that attended the martial-law regime, however, failed to solve the basic problems of the Philippine economy, a fact with necessary implications for human-rights issues and the future of the country.

The Development Program

The first proclamations of martial law amounted to an orchestrated development plan for the entire archipelago. For the first time since the granting of independence in 1946, the Republic of the Philippines embarked upon a program to redress the inadequacies of its economic performance.

The core of the argument for martial government involved a recognition, admitted by American academics, that the Philippine version of American democracy had "produced a precarious and highly unstable government . . . [in which] national elections were won by promises or favors and violence."[23] Moreover, Presi-

dent Marcos argued that the dominance of special interests in the Philippine Congress had generated "perpetual stalemates between the executive and legislative branches of government" that made comprehensive national economic planning either impossible or unenforceable.[24] In the pre-martial-law period, no fewer than eighteen national development plans had proceeded through the committees of the Philippine Congress, but none had been acted on with any consistency. Several attempts at land reform had been mounted between the accession to independence and the imposition of martial law, and all had become "useless scraps of paper due to stiff landlord opposition."[25] Whatever the intentions or the efforts of the central government, "landed interests in Congress combined to either block the passage of [land reform] laws or fill them with numerous escape clauses favoring landowners."[26]

A Protected Industrial Sector

Something similar could be said about Philippine attempts at industrialization, characterized as the "basic economic policy for the Philippines" in 1956.[27] Industrial policy initially emphasized import substitution and the development of industry that served domestic needs in a sheltered market. This "protectionism" involved Philippine industry in production for a market that was insulated from foreign competition.[28] Since the government provided Philippine nationals with privileged access to ownership of new industries, the policy of import substitution profited domestic economic elites by assuring them a lucrative protected market.[29]

The creation of a protected industrial sector produced a powerful political constituency composed of an elite with an obvious interest in import-substitution policies that supported local manufacture of such products as plastic articles, steel window frames, and kitchen and household utensils. That constituency was made up of members of the traditional economic elite who diversified their holdings by active or passive investment in the newly established and highly profitable domestic commodities industries.

That elite constituency also provided moral and material support for the economic nationalism that became a staple in Philippine academic circles and in the popular media. The status and the material resources of this elite assured academics and political

aspirants an important audience and significant prospects for success, provided that they were prepared to support the requisite "national policy."

This kind of support insured the rapid expansion of import-substitution industries, but the expansion was beset with problems. Easy profits and sheltered growth fostered the establishment of an increasing number of unsophisticated "packaging industries"—plants that simply boxed and distributed fully or substantially processed products like aspirin or instant coffee imported as "industrial raw materials" at government-subsidized prices. Moreover, the government supported exchange rates that allowed manufacturers to buy foreign capital equipment at below-market rates and favored capital-intensive industrial plants in a country burdened with excess labor.[30]

By the early 1970s the Philippine economy had reached an impasse. The land frontier had closed, and it was no longer possible to increase agricultural yield by increasing cultivated acreage. More and more rural labor was being displaced at the same time that 500,000 new workers were entering the labor market each year, the consequence of population growth that fluctuated around 3 percent a year.[31] Industry was incapable of creating more jobs because it had access to only a relatively small domestic market and because of its heavy dependence on machines.

Whatever benefits accrued from the economic expansion between 1946 and the early 1970s went almost exclusively to a very small portion of the population. Between 1956 and 1971 the proportion of total national income that went to the 20 percent of the population earning the lowest incomes declined from 7.0 percent to 4.4 percent.[32] In metropolitan Manila the real-earnings index of those employed in manufacturing declined 24 percent between 1956 and 1972.[33] Thus, while overall growth in the economy was about 5 percent a year, the benefits of this growth were maldistributed, employment rates were persistently low, and manufacturing growth was confined largely to a narrow subsector of import-substitution enterprises.

These conditions prompted the government, immediately after the proclamation of martial law, to implement a comprehensive development policy based on extensive rural land reform and a

reorientation of urban industrial enterprise. To accomplish this, Marcos was compelled to reduce the political power of the forces that had shaped economic policy in the past. That meant reducing the influence of the landed aristocracy in the countryside by undoing the elaborate system of patron-client relationships that had given the aristocracy control over the peasant population.[34] In the urban areas this meant dismantling the political parties that had acted as agents for the entrepreneurs who had profited from the windfalls afforded by the import-substitution policy. All this translated into a systematic assault on those whom Marcos chose to call the "oligarchs" of the "old society"—"reactionaries of the right."

As part of that assault, many of the wealthy leaders of the established political parties were swept up in the preventive-detention arrests conducted by the security forces upon the declaration of martial law. Since almost all the major media were controlled by the "oligarchs," their television, radio, and publishing assets were either seized or placed under surveillance or control. It was well known, and admitted even by those most opposed to martial law, that the Philippine media had represented "the large corporations and powerful special-interest groups who blanketed the country with a network of print and electronic facilities" in the service of those who had "an array of economic and political interests to protect or promote."[35]

The Land-Reform Program

As soon as martial law was declared and resistance to it immobilized, the Marcos government also initiated a comprehensive land-reform program, the most extensive in Philippine history.[36] The results have not been negligible. Of the 10.6 million hectares of cultivated land in the Philippines, about 1.4 to 1.7 million hectares have been subject to land reform.[37] About one million tenant farmers benefited from reform, with about 400,000 tenants receiving some land to be amortized over a fifteen-year period and 600,000 tenants being given formal leasehold arrangements that stabilized and standardized their relations with their landlords.[38] About four million landless agricultural laborers largely employed in commercial sugar, pineapple, and banana production were not included in the program, however.

The land-reform program was designed to increase agricultural production and allow tenant farmers to become owner-cultivators. Moreover, it was expected that as tenant farmers became owners they would attempt to improve production in order to increase their profits, partly by employing new high-yield strains of rice and corn. Small-holders would thus increase domestic demand for fertilizers and chemical insecticides as well as for electric pumps and farm tools. As their income increased, farm families were expected to create a larger market for household durables.[39]

Increased use of electric motors, pumps, and appliances would increase the demand for electric power, hasten the development and improvement of farm-to-market roads, and promote the establishment of a larger network of farm marketing outlets. After the development of the necessary infrastructure, small and medium-sized industries would develop in rural areas and would interlock with larger industrial establishments in urban areas. These small and medium-sized rural industries would also provide jobs for surplus rural labor.

Reorienting Industry

At the same time, the government would sponsor a new outward-oriented industrial policy. New export-oriented industries would be established, initially by borrowing capital from abroad. The low wage levels characteristic of the Philippines, the ready availability of a supply of literate and semiskilled employees, and the stability implied by firm government policy promised to attract foreign capital in both direct equity and joint-venture investments in the production of electrical machinery, electronic equipment, and textiles. The development plan of the martial-law regime shifted the axis of policy from import substitution to export-oriented growth to help resolve the balance-of-payments problems that had afflicted the economy since 1946. As export sales increased, foreign exchange earnings would provide the funds for debt repayment, and increased tax revenues would support an expanded government role in domestic infrastructural and energy-resource development.

All of this was predicated on the "establishment of a 'free flow' policy, in which foreign investments may be repatriated any time,

profits remitted, and 'frozen' dollars allowed to be withdrawn"—in effect, a complete reversal of the import-substitution policy of the Philippine government since 1946.[40] Industrial development was to be based on the expansion of export industries and employment that relatively labor-intensive enterprises like textile and garment production would generate. Such a program clearly had been resisted by the pre-martial-law establishment. During that time, "it had been the practice," Marcos contended, "of certain opposition officials, most of them playing up to the oligarchs and their controlled media, to denounce all foreign investments in the name of nationalism irrespective of our capital and other deficiencies."[41] The "key component" of the new industrialization program was to reverse those policies and encourage "foreign participation in the development of industry." The "overriding need for capital" in a capital-scarce economy recommended just such a course.[42]

In pursuing such a policy, Marcos hoped that the land-reform measures would generate support among rural small-holders and that increasing employment opportunities in the growth industries would create support among the urban working class. But this could be accomplished only if the entire program could be made to work. The failure of any one component would have far-reaching consequences on the whole effort.

Almost immediately after the imposition of martial law, the prerequisites of the new policy were put into place. The Laurel-Langley general trade agreement that protected American-held equity from confiscation or discriminatory legislation was scheduled to end in 1974, but Marcos restored those protections by executive decree. Laws were introduced that opened commercial banks to foreign investment, assuring repatriation of capital and profits, liberalizing remittances of royalties, providing tax incentives, and easing entry and clearance requirements for foreign capital and skills. The results were almost immediate. There was an increase in the inflow of investment capital, and foreign banks extended new loans while rolling over old debts.[43]

Effects of the Development Program

Between 1961 and 1970 the Philippine economy had an annual average real growth in GNP of 5.0 percent; between 1972 and 1980 the growth increased to 6.4 percent. In 1973 the annual GNP

growth rate reached 9.6 percent, one of the highest in Philippine history. At the same time, the land-reform policies stimulated agricultural productivity, with the annual average growth rate rising from 4.0 percent between 1961 and 1970 to 5.0 percent between 1971 and 1980. The average annual growth in per capita income rose from 2.0 percent to 3.6 percent.[44]

Between 1972 and 1980 the rate of growth of gross domestic capital formation in the Philippines increased to an average of 10.2 percent a year, compared to the average rate of 6.7 percent during the previous decade. This fostered rapid expansion in the manufacturing sector, whose contribution to the GNP jumped from about 20 percent in 1971 to 36 percent in 1981. The sustained allocation of capital to the manufacturing sector was directed, in substantial part, to increasing industrial exports.

Between 1972 and 1981 the average real annual growth of exports was 7.8 percent, a significant increase over the 1965-72 average of 3.4 percent. Moreover, during the late 1970s there was a marked shift in commodity exports toward nontraditional manufactured products, such as electronic equipment. By 1981, nontraditional exports made up more than 50 percent of total Philippine exports, compared with 21 percent in 1972.

As anticipated, the expansion of the manufacturing base required the collateral development of a transportation and utilities infrastructure. Between 1965 and 1971, average annual road construction in the Philippines was 4,176 kilometers. Between 1972 and 1981 that amount rose to 7,116 kilometers, a 70.4 percent increase. In 1975, fewer than two million households, or 28.2 percent of the total, had electricity. By 1981 that number had increased to 3.2 million households, about 40 percent of the total.[45] This was backed by an ambitious program of indigenous energy generation involving petroleum exploration, domestic coal recovery, and the development of hydroelectric and geothermal potential. In less than a decade, Philippine dependence on foreign sources of energy declined from 95.3 percent of total national need to about 78.0 percent.[46]

In 1981 the World Bank *Development Report* concluded that the economic program had resulted in: "(1) an increase in the ratio of domestic fixed investment to GNP with a shift in the investment pattern in favor of infrastructure, the energy sector, and export-

oriented and labor-intensive industries; (2) an increase in the ratio of domestic savings to GNP, partly through a strong tax effort; and (3) effective demand management policies." The report concluded that "most of the principal targets were broadly attained."[47]

Through the new program of agrarian development the Philippines achieved self-sufficiency in rice production by 1978. Between 1965 and 1971 the Philippines had imported about 6.0 percent of its domestic rice needs annually. A decade later it had become an exporter of rice; in 1981 it exported about 83,000 metric tons. Rice yield per hectare had increased from 1.5 metric tons in 1971 to 2.2 metric tons by 1978. At the same time, corn production increased, and self-sufficiency was attained in the production of fish, pork, fruits, and vegetables.[48]

Failures of the Program

Despite the accomplishments of the development program,[49] one of its major purposes was not achieved. Immediately before the imposition of martial law, Marcos had insisted that what the Philippines needed was a "radical change in the economic gap between the rich and the poor."[50] He referred to this gap as "glaring"[51] and was committed to social and economic change that would promote social justice and the abolition of evident inequities.[52] Crisis government in the Philippines was explicitly charged with "the rectification of social imbalances." It was the poor, who constituted the "overwhelming majority" of the population, said Marcos, who had "primary claims on government policies, programs and resources."[53]

Unfortunately, the best current estimates indicate that there has been no change in the relative distribution of income. Worse, some evidence suggests that there may have been a significant erosion in real wages and income during the last decade. Estimates of the extent of the erosion vary because of both a paucity of responsible data and simple statistical error, but the estimates attest to serious income and wage problems in both urban and rural areas.

Data provided by Rigoberto Tiglao and Manila's *Business Day* in 1983 afford perhaps the most comprehensive indications of income and wage levels. The best construction that can be put on the

available figures is that only the 25 percent of the urban work force receiving mandated government wages did not suffer a decline in real wages between 1972 and 1982, but that the rapid erosion of real wages during the 1959-74 period was decelerated or halted. If 1972 is taken as the base year, real wages paid in Manila during 1959-74 declined from 133.1 to 92.4. Thus the maintenance of real wage rates at the 1972 level for at least 25 percent of the manufacturing work force during 1972-82, whatever the qualifications, remains something of an accomplishment.

Much the same could be said of real wages in the agricultural sector. Between 1959 and 1974, agrarian wages collapsed from 168.5 to 87.0 (base year 1972) in central Luzon and southern Tagalog. But *Business Day* estimates, based on data from the Bureau of Agricultural Economics, show that the 1981 basic wage rate per capita in the rural sector was roughly equivalent to that of 1972, meaning that the decline in agricultural wages that had taken place since the late 1950s had been halted.[54]

However the figures are interpreted, though, it is clear that the martial-law regime failed to change the distribution of family income.

The failure of the government's plan involved far more than the inability to achieve some approximation of equity or social justice, however important that might be. The failure to generate effective demand in the rural sector meant that the small and medium-sized industries planned for the agrarian regions could not take root, and their absence had predictable effects. Larger urban establishments were denied an expanding domestic market for their products, and that, in turn, diminished the potential for employment in the entire industrial sector.

By 1980 there were 750,000 new workers entering the employment market annually. Because of the lack of new jobs in the industrial sector, new entrants into the work force were being channeled into the service sector, where only the lowest-paid jobs were available. The alternative was equally low-paid, and essentially nonproductive, government employment. The large pool of available labor kept public-service salaries low and increased the disposition among government employees to seek more income through bribery and corruption.

To maintain the momentum of the program and pay for large infrastructural commitments in the face of its inability to increase income, savings, and revenue, the central government increased its foreign borrowing. The state began to assume more and more responsibility for providing capital for manufacturing and infrastructural efforts. The needed capital was to come through increased revenues derived from expansion of the domestic market and an increase in sales, but all this failed to materialize. For political reasons the central government was loath to impose new taxes in an economy that had not enhanced family incomes or entered into self-sustained growth.

By 1981 the government was providing the capital necessary for the program in an amount equivalent to 16 percent of the GNP. Only 6.5 percent of the GNP had been employed in the mid-1960s for such purposes.[55] The gap between availability of funds and investment demand ran about 4 percent of the GNP between 1975 and 1980, a gap closed by deficit spending and foreign borrowing. After 1977, foreign borrowing escalated, and the national debt rose from $6.5 billion in that year to a reported $13.7 billion in 1981 and an estimated $24 billion by the end of 1983.

Meanwhile, the policy of protection for established industries was kept in place. Given stagnant domestic demand, any decision to open the domestic market to international competition would have had serious political consequences, namely, alienation of the domestic entrepreneurial class dependent on the home market. Since neither the rural nor the urban laboring classes had benefited as anticipated from the program, loss of the political support of the urban middle classes might have proved a serious disability to the government. The net result was subsidization of certain industries in the manufacturing sector that were noncompetitive by world standards, overcapitalized in an economy with a large reserve of labor, and incapable of sustained expansion.

Problems From Outside

One major contributor to the failure of the program to achieve some of its income-generating goals was the "oil shock" of 1973. The quadrupling of oil prices had a disabling effect on the rural economy of the Philippines.

As a result of land reform, many new small-holders suddenly found themselves burdened with amortization costs as well as the need to buy materials that had previously been supplied by landlords. Most of the new small-holders in the wet-rice- and corn-producing regions were obliged by terms of the program to plant high-yield crops that required heavy fertilization and careful protection from insects. Since fertilizer and insecticide are petroleum by-products, their market prices escalated. A bag of fertilizer that cost $4 in 1972, for instance, cost $17 in November 1974.[56] Marcos said fertilizer prices had soared "to unmanageable levels because of the oil crisis,"[57] which both increased the central government's debt as it sought to subsidize the prices of farm-related petroleum by-products and caused many small-holders to default on their loans. The large number of defaults in rural areas compelled the central government to bolster the new rural banks that had been created to serve the credit needs of new small-holders.

At almost the same time as the oil shock, the countries of the industrialized West began to slide into recession. The terms of trade—the ratio at which agrarian, mining, and forestry products can be exchanged for processed and manufactured goods—began to decline, increasing the costs of capital goods imported by the Philippines. From a level of 100 in 1972, the terms of trade collapsed to 69.1 in 1982 and declined still further in 1983.

Since part of the development plan depended on rapid expansion of the export market through the production of nontraditional commodities, the closing down of foreign markets because of the worldwide recession had a serious impact on new Philippine industries that otherwise were doing remarkably well.

As a consequence, at least in part, of these exogenous factors, the Philippine economy had ground down to a very slow growth rate by the beginning of the 1980s. At the time of the inception of the program in 1973, real growth exceeded 9 percent. By 1982, real growth had been reduced to 2.6 percent, and it probably fell to 1.6 percent in 1983. How much of the failure of the program can be attributed to external influences is impossible to determine, but that those influences had major consequences cannot be doubted. It is equally certain that the economic difficulties suffered by the Philippine economy were exacerbated by domestic factors.

Because of the assumption of a great many economic responsibilities by the central government, technocrats and bureaucrats were compelled to undertake complex and demanding tasks that often taxed their competence and their endurance. This was particularly true in the case of organizations like the Department of Agrarian Reform, charged as it was with the responsibility of overseeing both the financial and the technical aspects of the land-reform program.[58] Extension services, credit operations, and marketing management had to be supervised under conditions that could only overload government institutions. Like many such efforts in developing countries, these had requirements so elaborate that there were not enough personnel with the proper qualifications to carry them out.[59] Much the same might well be said of the development program as a whole. Had the program, in its complexity, worked as intended, such disabilities would probably have had negligible consequences. But given the failure in generating income and employment, the bureaucratic, personnel, and financial shortfalls were compounded.

The Work of the 'Cronies'

Because the old economic elite had been committed to an inward-directed policy of sheltered economic growth and had been alienated by the martial-law regime, Marcos systematically selected "loyalists" to implement the central government's new economic program. Early in the martial-law period, Marcos assigned critical entrepreneurial and management roles to his own version of "Zaibatsu" leadership. Marcos, in other words, attempted to put together a Philippine version of "Japan, Incorporated," with critical sectors of the economy (sugar, coconut, banking, trading, shipbuilding, construction, and utilities) significantly influenced, if not controlled, by persons in whom he had personal confidence. He was convinced that the economic goals of growth, equity, and employment could be attained only with the full and unqualified cooperation of these key sectors. That could be assured only if his own appointees were in positions of control.

Such persons are sometimes spoken of as "cronies" of the president. They proved to be less than adequate to the task, and there is

convincing evidence that large-scale incompetence and corruption not only impaired the economic program but eroded popular support for the government.

While all this transpired, many of those who found themselves marginalized by the new economic policies moved to the United States, where a substantial number of them had assets. United with the strictly political opponents of the Marcos government, they put together a formidable coalition. Displaced political leaders, allied with young and often radical intellectuals, joined members of the traditional oligarchy to form an impressive anti-Marcos lobbying group in the United States. Robert Pringle has assessed them as one of the most effective lobbies in Washington, reportedly capable of "exerting pressure on Congress out of proportion to their numbers."[60]

Much of the information about the Philippines that reaches the average American, as well as legislators in Washington, is provided by the plethora of anti-Marcos groups that formed this coalition of convenience. That these groups address perfectly legitimate concerns—human-rights issues, the documented failures of the Marcos regime, and the impairment of democratic practices—goes without saying. Equally transparent is the fact that, whatever the intrinsic merit of the concerns, the issues are always addressed from a particular ideological point of view. That kind of bias may not serve the interests of Americans, nor the ultimate interests of Filipinos.

CHAPTER THREE

The Crisis

BY THE SUMMER OF 1983 there was reason to believe that the political and economic problems of the Philippines might be nearing resolution. Martial law, which had been declared in September 1972, had been lifted in January 1981. In mid-1981 Marcos had been overwhelmingly elected to lead the new parliamentary-cum-presidential system for a six-year renewable term, and by mid-1982 the Fourth Philippine Republic had been proclaimed. While political dissidents were vocal, they were disorganized and ineffective.

With the advent of the Fourth Republic, the judicial system was reorganized, and a national legislative election was scheduled for May 1984. The Committee on Elections that had policed the 1981 election was reconstituted to offset criticisms of its earlier performance. A systematic restructuring of the state machinery was carried out to eliminate "conflicts and overlapping of functions among agencies" that had persisted since the promulgation of a new administrative code in 1978.[1]

Thus, considerable effort had been made by the middle of 1983 to "normalize" political life in the new republic. The system remained authoritarian in the sense that the president retained extensive powers of legislative initiative, appointment, and security control. In 1981 he had run virtually unopposed, since most of the opposition groups had boycotted the presidential election that returned him to office. Although there remained the persistent economic and political problems that threatened to destabilize the nation,[2] Marcos had grounds for modest optimism.

The Political Problems

Political revolution in the Philippines was not an imminent threat in mid-1983. In response to a combination of military repression and economic aid, the Muslim insurgents in the south had scattered, reappearing only when conditions were particularly favorable. But the armed insurrectionists of the Communist New People's Army (NPA), while contained on the island of Luzon, had expanded their activities to Samar and northern Mindanao.

Defense Minister Juan Ponce Enrile established early in 1983 that the New People's Army could put about 5,000 armed combatants in the field, somewhat fewer than it was thought to have available in 1972. Other estimates put the number closer to 7,000. Whatever their number, the revolutionaries of the NPA did score some successes in the more inaccessible and impoverished regions of northern Mindanao. In January 1983, for example, armed guerrillas of the NPA briefly seized and held the town of Mabini, one of the largest on Mindanao. In the spring the revolutionaries were organized in company-size units of about 100 or 150 armed men.[3]

These guerrilla units had apparently been successful in obtaining Soviet-made AK-47 assault rifles from sources in the Middle East to supplement weapons purchased in the Philippines or captured from government units.[4] Some of the funding used in maintaining their arms supply had apparently been provided by expatriate dissidents in the United States.[5]

The available evidence suggested that the revolutionaries of the NPA would be able to sustain themselves in remote rural areas as long as the economy offered little hope for improvement but would not be able to mount a successful assault on the central government.

Meanwhile, the lifting of martial law and the efforts at normalization had given the nonrevolutionary opposition an opportunity for increased assertiveness. Beginning in 1981, the print media began to test the limits of the government's tolerance with more and more articles critical of the Marcos administration. With the elimination of martial-law constraints, the press, radio, and television were controlled through the discretionary judgment of editors and producers. Although the government sometimes re-

acted to media criticisms that were deemed "subversive" or "personal" rather than issue-specific,[6] in general the opportunities for free expression increased.

By the summer of 1983 the organized anti-Marcos opposition was preparing to contest the elections for the legislative assembly scheduled for May 1984.[7] In a conciliatory gesture, Governor Homobono Adaza, president of the opposition Mindanao Alliance, called for an "intelligent dialogue" between the administration and its organized political opposition.[8] From the United States, former senator Benigno "Ninoy" Aquino, Jr., signaled his readiness to return to the Philippines from his self-imposed exile to organize the fragmented opposition groups.[9] In an interview, Aquino insisted that he intended to act as a "conciliator" between the Marcos administration and the opposition as well as among opposition leaders themselves. He declared that "only Marcos can bring us back to democracy. . . . Marcos is the only man today who can decree a clean and honest election."[10]

Aquino had apparently decided to return because he wanted to accomplish several related objectives: (1) to restore his credibility among his constituency; (2) to reorganize a faction-ridden opposition; (3) to preclude a Philippine descent into wholesale revolutionary violence; and (4) to foreclose the accession to power of Communist revolutionaries, compared to whom Marcos was (in his judgment) "an angel."[11] It was evident that one of the effects of this plan would be to enhance the legitimacy of the Marcos administration. By committing himself to open and peaceful political opposition, Aquino would lend respectability to a political system that had received an almost uniformly bad international press.[12]

A confidential report circulated for executive information by the Development Academy of the Philippines in the fall of 1982 indicated that residents of Manila had expressed an increasingly favorable assessment of government services and increasing confidence in the determination of the president's Kilusang Bagong Lipunan (KBL) to "respond effectively to the people's needs."[13] Significantly enough, even though the official estimate of unemployment in metro Manila was about 14 percent (with unemployment among those under twenty-five almost 32 percent), support for the administration was strongest among the lower socioeconomic groups.

Similar samples of opinion were drawn for Luzon, Visayas, and Mindanao in the spring and early summer of 1983. The results in rural areas, as anticipated, were even more positive than in Manila. In Cagayan, central Luzon, and southern Tagalog, Marcos received positive ratings from over 90 percent of the respondents. The lowest positive ratings came from central Vasayas—70 percent. In western and northern Mindanao the affirmative rating for the president was 76 percent.[14]

Since these confidential surveys were conducted solely for the information of the executive office and not released for general circulation, they were probably responsible assessments. Whatever produced the results—the advantages that accrued to Marcos from his long dominance of the system, or substantial control over the media of information—there apparently was considerable political strength in the Kilusang Bagong Kipunan and very broad, if only passive, support for the president.

What clouded the prospect of increasing political stability was the impaired state of the national economy. Former senator Aquino considered the economy the "Achilles heel" of the system. He apparently calculated that declining economic conditions would favor his presidential candidacy in 1987.[15]

The State of the Economy

By the early 1980s the Philippine economy was faltering because of domestic and external economic imbalances that were a function of depressed world prices for major commodity exports, impaired demand for nontraditional exports, burdensome oil import costs, trading policies by the major industrial nations that restricted access to important markets, and sharply rising interest payments on external debts.[16] The cost of servicing the country's foreign obligations had increased to $2.23 billion, and there was a rapid increase in dependence on short-term borrowing, which rose by 16 percent in 1982.[17] Foreign investments in the Philippines declined by 20 percent in the last half of 1982; this necessitated increased foreign borrowing by the central government, which by that time was directly and indirectly responsible for 75 percent of Philippine foreign indebtedness.[18]

International financial agencies insisted upon extensive reforms beyond the dismantling of the protective tariff system. Ever since the Dewey Dee financial scandal, when the integrity of Philippine institutions was threatened by one person's embezzlement of millions of pesos, international lenders had urged the authorities in Manila to exercise greater audit control over the banking and other financial agencies that serviced the economy.[19] The availability of international loans was made conditional not only on the introduction of a number of reforms designed to reduce tariff protection for domestic Philippine industry but also on more effective financial controls and an effort to increase the revenue-collecting capability of the central government.[20]

By the beginning of 1983 there was some evidence that the recession had begun to bottom out. International economic activity increased, the net terms of trade improved, there was only a marginal increase in imports, and international interest rates declined slightly. Tourism improved, and Philippine trade increased by 4.3 percent. Exports grew by 6.1 percent in the first quarter of 1983, a sharp contrast with the 20.3 percent decline in the first quarter of 1982. Sugar exports rose by 22 percent, and the international price improved from $307 to $343 per metric ton. Coconut prices also began to show improvement. Finally, there was a 30 percent increase in remittances made by overseas workers. The governor of the Central Bank anticipated that the GNP would exceed the 1982 level, to attain a 3 or 4 percent rate of real growth.

The consumer price index rose only 6.6 percent in the first half of 1983, compared with 10.7 percent in the first half of 1982. An improvement in revenue collection reduced the necessity of domestic borrowing by the central government.[21] Given that improvement and the austerity program that had been put into place, gross domestic borrowing by the government fell by 40.4 percent.[22]

By the beginning of August 1983, President Marcos felt sufficiently confident to announce an economic "revival."[23] Nonetheless, there were continued signs of stress. Exports during the first half of the year amounted to $2.4 billion while imports totaled $3.86 billion, resulting in a trade deficit of $1.46 billion, slightly higher than the deficit for the same period of the preceding year. Fixed-term external debt rose by 4.3 percent, and it was apparent

that the recovery was being fueled by external borrowing and an inflow of foreign equity investments. Loans extended by commercial banks increased faster than deposits, resulting in a decrease of reserves.[24]

It was evident that the precarious improvement in the Philippine economy could be sustained only by continued access to foreign funds to offset the shortfall in domestic capital and to redress the deficit spending incurred by the new development program. While the debt burden was judged manageable by the World Bank,[25] and Manila insisted it was capable of covering its commitments for the foreseeable future,[26] international financial institutions were becoming increasingly hesitant about extending further loans to developing countries, whose total outstanding debt then amounted to approximately $600 billion. For the first time in a decade the developing economies in Asia found it difficult to raise loans. The Republic of the Philippines was one of the countries whose access to foreign loans was restricted.[27] *Institutional Investor,* a credit-rating agency, ranked the Philippines 63rd among 107 developing countries in terms of creditworthiness. Of the countries in Asia, only Sri Lanka, Pakistan, Bangladesh, and North Korea were considered less creditworthy than the Philippines.

In order to sustain the fragile recovery, the government of the Philippines sent César Virata, its prime minister and minister of finance, to seek assistance from a consortium of donors who might be prepared to extend concessional and nonconcessional loans to the Philippines to support the purchase of producer goods and raw materials essential to its nontraditional export industries. Another loan was requested to implement a new five-year agricultural plan.[28]

In substance, the Republic of the Philippines found itself with very little room to maneuver by the mid-summer of 1983. The significant restructuring of the economy that had been undertaken—the tariff reform that had alienated a significant part of the middle-class business community, the austerity program that had adversely affected employment- and income-generating projects, the more effective revenue collection that had begun to press on professional and entrepreneurial elements—had a high political cost. But that cost had to be incurred if the Philippines were to

obtain further long- and short-term loans. With the reviving international economy, the Marcos administration hoped to reduce its trade-deficits and balance-of-payments problems by accelerating its exports of nontraditional commodities. At that juncture, what the precariously balanced Marcos administration did not need was a domestic political crisis. But a crisis is what it got.

The Assassination of Aquino

On August 14, 1983, former senator Benigno Aquino boarded a Pan Am flight from Los Angeles to Tokyo on the first leg of his return after three years in the United States. On August 19 he flew to Taipei, Taiwan, where he stayed at the Grand Hotel before leaving for Manila. On Sunday, August 21, at 1:05 P.M., China Airlines Flight 811 landed at Manila's International Airport, where a crowd estimated at 10,000 waited to welcome Aquino. Ten minutes later, at 1:15, he lay dead on the tarmac, killed by a single bullet that struck him behind the left ear.

The tragedy at the airport initiated a series of events that was to produce the most profound crisis in the history of the Philippines since the Japanese invasion of 1942. For ten days after the murder of Aquino, the archipelago was immersed in grief. Aquino had returned to the Philippines determined to lead a movement of reconciliation and renewal, and had been struck down for his effort. Jaime Cardinal Sin, the leader of the islands' 40 million Catholics, spoke of the "communal grief" that gripped the people of the Philippines and reminded the audience gathered for the funeral that Aquino had returned "not in the spirit of confrontation but in that of reconciliation."[29]

While the Philippines recoiled in horror and succumbed to grief, rumors about the health of President Marcos increased. For years, Marcos has been rumored to be suffering from lupus erythematosus, a rare skin disease that usually becomes fatal once it involves the kidneys. It was said that his ailment made him incapable of discharging his duties, and there were fears of a military coup to deal with the threat of massive dissidence sparked by the assassination. Marcos immediately sought to reassure the general public that he was in charge and that all government functions remained unimpaired.[30]

But the effects of the brutal assassination of a leading anti-Marcos figure could not be contained. Despite Henry Kissinger's admonition against a rush to judgment, the international media strongly suggested that the Marcos government was implicated in the murder.[31] Extensive coverage was given to circumstantial evidence suggesting that elements of the Philippine armed forces were responsible, and spokesmen for the anti-Marcos opposition in the United States were given ample opportunity to speculate on the degree of government complicity.[32]

Reports of the assassination were often accompanied by stories about rising instability, growing strength of the opposition movement, and fragile support for Marcos and his administration.

Because of mounting pressure against the trip, President Reagan canceled a planned visit to the Philippines. Although he attempted to limit the damage to the Marcos government by canceling trips to other countries in the region as well, it was clear that the move was motivated by fear among Reagan's advisers that a visit to the Philippines at that time would prove to be politically embarrassing. In late October the U.S. House of Representatives, by a vote of 413 to 5, passed a resolution praising the martyred Aquino and calling for a thorough and fair investigation of the assassination. The resolution said that the United States should support a genuinely free parliamentary election in 1984 and should make U.S. policy conditional upon Philippine efforts to achieve this.

The Economic Effects

The most serious consequences of the Aquino assassination were its immediate and potential effects on the struggling Philippine economy. At a time when the economy was showing clear signs of recovery, the Aquino murder threw the nation into financial crisis.

It had been expected that a devaluation of the peso in June 1983 and a reduction in government expenditures, together with an increase in exports, would reduce the 1983 balance-of-payments deficit to about half the level of 1982. Inflation had been curtailed, sales volumes had increased, and investments in the rural areas promised renewed development. Nonetheless, the projected improvements in the economy required a steady inflow of capital.

Immediately after Aquino's death, short-term capital inflows into the Philippine economy plummeted by at least $700 million.

In contrast, the previous five quarters had shown a surplus ranging from $100 million to something over $300 million. Since the second quarter of 1982, short-term capital inflows had averaged $3 billion each quarter. In the third quarter of 1983, immediately after the murder of Aquino, they fell to about $2 billion. The tragedy and the subsequent political uncertainty and social agitation made the termination of short-term credit seem prudent to many foreign lenders.

The interruption of short-term credit restricted access to critical productive imports, and that, in turn, produced significant reductions in commodity output. The "cascade" effects included a drop in export earnings and an increase in the balance-of-payments deficit. The decline in economic activity forced extensive work-force reductions by mid-1984.

Three months after the murder, *Business Environment Risk Information* advised its clients to undertake "no long-term commitments . . . in the Philippines, and even trade relationships should involve secure letters of credit."[33] This advice was based on the prevailing "political instability," the decision by a number of firms to cease operations in the Philippines, and capital flight amounting to about $700 million.

These effects could have been predicted by the least gifted political and economic analyst. Anyone who conspired to kill Aquino necessarily understood that the government of the Philippines—critically dependent upon foreign sources for the funds necessary to stabilize and sustain the national economy—would suffer irreparable damage from such an act.

The Political Effects

The immediate political effects were just as predictable. As soon as Aquino was assassinated, almost every anti-Marcos opposition leader in the United States was given extensive media coverage. The movement now had a martyr. For years, the opposition had been marginalized, badly organized, and constantly involved in factional and personal disputes. Its prospects had slowly diminished. But with the murder of Aquino, the opposition suddenly became viable. It could tap the deep sentiment of a people shocked

by a brutal and senseless murder as well as the restiveness of those who had long endured privation. The murder of Aquino was a catalyst that could only profit the opponents of the Marcos administration.

Anyone who contemplated such an act in the belief that it would enhance the stability or the durability of the Marcos administration would surely have killed Aquino less conspicuously. An "accident," or a seeming criminal assault in a city other than Manila, surely would have been preferable. To have killed him on the tarmac of the capital city's international airport, while he was under the protection of Philippine security personnel, would have been an incomprehensible act for anyone sympathetic to the Marcos regime.

Nonetheless, the murder immediately put the Marcos administration under a cloud. Either it was incompetent for allowing the tragedy to occur, or it had conspired in the assassination. The administration had understood these eventualities beforehand, and had previously given them as the reasons for denying Aquino's request to return. Aquino was informed that as long as there was a threat to his life he would not be allowed to return, because if any harm were to befall him on Philippine soil the Marcos administration would inevitably be held to be involved.[34]

It is extremely unlikely that the Agrava Commission, charged by the Philippine government with investigating the murder, will produce results that will satisfy everyone. Conflicting testimony subject to a variety of interpretations will leave many questions unanswered. Twenty years after the assassination of President John F. Kennedy and the bizarre murder of his apparent assassin while in police custody, many Americans remain convinced that the truth concerning those tragic events has eluded us. No greater certainty can be expected from the investigation into the assassination of Aquino.

What seems evident is that Aquino dead on the tarmac of Manila International Airport was more of a threat to the Marcos government than Aquino alive as the leader of a fragmented and ineffectual opposition. The predictable result of such a murder before the eyes of the entire world would be an immediate reduction in the

nation's creditworthiness, an economic crisis, and an irretrievable impairment of the government's credibility. Given all this, it is most implausible that the Marcos government, or anyone responsible to that government, was directly involved in the murder.

The Anti-Aquino Factions

About three months before Aquino's assassination, at a rally convened to celebrate Philippine National Day, a group of radical students—appropriately flying red flags and wearing red headbands—booed loudly at the mention of Aquino's name. The Communist radicals of the Philippines had harbored a distrust and hatred of Aquino for many years.

Philippine radicals have always seen "reformist" politicians as "lackeys" of a U.S.-dominated "comprador-feudal dictatorship" that rules the Philippines. Reformist politicians, those who would avoid a direct confrontation with the United States, are referred to as "jackals" whose sole intent is to achieve positions of power where they can serve their personal and class interests. Aquino, one of the most prominent of the reformers, had been groomed to succeed Marcos, and consequently was assessed as among the most opportunistic and venal.

The Maoist Communist Party of the Philippines explicitly rejected "the old liberal leadership of the bourgeoisie" and sought to "discredit" bourgeois leaders, who, it was said, sought only to perpetuate their class interests at the cost of the "masses." In its opposition to "bourgeois traitors," the party has always taken considerable pride in its ability to "wipe out informers, landlord despots, and bad elements."[35] In murdering Aquino as one of those "bad elements," the radicals would accomplish at least two things: they would destabilize the precariously balanced Marcos administration, and they would impair the ability of the non-Marxist "bourgeois" opposition to operate effectively by eliminating the only political figure who might have served as its leader. Aquino seemed perfectly aware of all this. In the last interview he gave to the press before his death, he maintained that "my biggest danger is not Marcos, it's the Communists. . . . You see, the Commies

hate me more than they do Marcos." Aquino recognized the real possibility that the "Commies" might try to "knock [him] off."[36]

Aquino expected to be arrested or placed under house arrest upon his return to the Philippines, because it was obvious to him that no one in the government would see any profit in having him killed. "Marcos will keep me alive," Aquino concluded, "because he knows the moment I die, I am a martyr like Martin Luther King. And he wouldn't want that."[37]

As a group, only the radicals could have profited directly from the assassination of Aquino, particularly under the circumstances in which that murder was accomplished. Nonetheless, there were also others among the anti-Marcos opposition who considered him an opportunist and an obstructionist in the struggle against the regime. University students, who form a substantial component of the anti-Marcos political base, were incensed by Aquino's negotiations with the Marcos government and complained in 1980 that his activities were "collaborationist and pro-imperialist." They concluded that "Ninoy [Aquino] must cease posing as a symbol and representative of the opposition. His [political proposals] will drag the Filipino into a compromised opposition of [the Marcos] dictatorship by actually joining its theatrics. . . . [Aquino's] formula offers democracy in form, but hardly in substance."[38]

Among the moderate opponents of the Marcos regime, moreover, there were mixed feelings concerning Aquino's projected return. Some thought he might very well attempt to revitalize the Liberal party and thereby undermine the presumed potential of the United Nationalist Democratic Organization (UNIDO), the umbrella organization of the moderate opposition groups. Moreover, many of the legal opposition were less than enthusiastic at the prospect that the expatriate Aquino might upstage them. More than that, many felt that Aquino's return would probably profit the Marcos regime more than it would unite the fractious opposition.

In 1979, when Aquino attempted to unite the opposition into a cohesive body, he failed because some of the principal leaders felt he was too accommodating to the Marcos administration. Former senators José Diokno and Lorenzo Tañada argued that Aquino had served only to dilute the force of the opponents of the establish-

ment.[39] It is conceivable that fringe elements of the student and moderate political opposition might have considered a dead Aquino a greater asset than a live Aquino attempting to negotiate a transition from the Marcos government to some alternative. In any case, they clearly have profited politically from the tragedy.

Aquino—who has been described as "not quite the figure some have made him to be since his death"[40]—has now become a quasi-religious figure among Filipinos. He is said to have "unified the Filipino race" through his love and sacrifice. Filipinos are admonished to remember that Aquino advocated a policy that had been "preached by the solitary man from Galilee." He is said to have "walked in the footsteps of the great spiritual leaders of the world: Jesus Christ, Mahatma Gandhi. . . . "[41] Aquino has been transformed into an unassailable symbol of martyrdom and resistance.

Philippine history abounds with heroes and martyrs who have served the forces of resistance. Almost every popular uprising in the islands since the time of the Spanish occupation has had a messianic or a martyred leader. Many opposition leaders, hearing the news of Aquino's murder, likened him to José Rizal, whose execution by the Spanish is said to have given heart to the Philippine revolution of 1896. Anyone moderately familiar with Philippine history would have been aware of the political utility of a martyred leader.

There is also reason to think that some Filipinos feared Aquino because they saw in him an opportunist who was prepared to collaborate with the most radical political elements.[42] There were those who were convinced that as governor of the city of Tarlac, Aquino had been far too tolerant of rural revolutionaries. He was known to have said of the radicals that "they left me alone as long as I left them alone," a posture hardly calculated to endear him to conservatives. His characterization of the rural revolutionaries of the Communist New People's Army as the poor and oppressed of Philippine society clearly inflamed those whose interests were in jeopardy.[43]

The prospect of Aquino's leading a substantial movement that might accede to power in the Philippines could easily have been enough to galvanize some hard-core conservatives into a criminal conspiracy. By murdering him, such elements could deliver a blow

to an administration that had ill served their interests and eliminate, at the same time, an adversary who ultimately might prove a greater threat to them than Marcos himself.

Finally, whatever one thinks about the criminal charges made against Aquino during the martial-law period, there were those who believed he was implicated in several murders in Tarlac. Relatives or associates of those victims might well have undertaken an act of blood vengeance. The possibility of an act of revenge against Aquino for a real or fancied offense cannot be discounted.

Clearly, then, there were many in the Philippines who would have profited from the death of Aquino far more than anyone who supported Marcos. The disposition on the part of a substantial segment of the media in the United States to assume government complicity in the murder suggests partisanship rather than reasonable assessment.[44]

Only a few weeks before the assassination, the *Asia Letter* of Hong Kong maintained that "few countries in Asia have more potential for development than the Philippines." The report went on to say that although the country was "deep in debt and close to its borrowing limits," and although it remained afflicted with "corruption, bureaucratic barriers, and a wide range of other irritants," the future "is not so dark as it may seem." The essential problem was "the matter of stability. Or at least the perception of stability. . . ."[45]

The assassination of Aquino produced the most formidable threat Marcos has ever had to face in his long political career. It reinforced the impression of Philippine instability, which in turn generated the economic crisis that still hangs over the Fourth Republic. Anyone close to the center of power in Manila would have foreseen as much. To imagine that someone aware of all this would murder Aquino in the conviction that the crime would somehow help the administration is implausible, to say the least.

The Multiple Impact

The economic effects of Aquino's death were immediately evident. There was an instantaneous hemorrhaging of capital at a rate of $3 million to $5 million a day. Tourist traffic dropped off radically.

There was an abrupt and wholesale calling-in of short-term loans and the interdiction of new advances by international creditors apprehensive over the political situation.[46] The shortfall in available credit became so large that some key sectors of the economy began to falter. The costs of critical imported raw materials and spare parts necessary to sustain production rose sharply, and by late October the supply of foreign exchange available shrank to $430 million, a sum equal to less than one average month's import coverage. Car companies closed their doors after they failed to persuade suppliers to serve them on a deferred-payment basis. By early December about 660 businesses had ceased operations, laying off approximately 38,000 workers. With the addition of those temporarily dismissed, the number of newly unemployed rose to over 54,000.

Devaluation and Inflation

With the failure of international confidence in the stability of the Philippines, there was pressure to devalue the peso, which had already been devalued in June 1983 by 9.4 percent. In October the peso was again devalued, by a painful 28 percent. Prices immediately escalated. The retail price of rice rose 15 percent. Fertilizer costs increased by almost 19 percent, fuel by 29.2 percent, and pesticides by 25 percent. Prices outside the government's price controls rose to three or four times their pre-devaluation levels. Coupled with the austerity program imposed to reduce the national deficit, the erosion in the value of the peso meant a massive reduction in government-sponsored economic activity.[47]

By the end of 1983 the rate of inflation had accelerated to about 25 percent, and Manila requested a long-term rescheduling of 40 percent of its outstanding external debt, estimated to be $24 billion. The Central Bank was increasingly called upon to grant emergency funds to local financial institutions in order to provide the liquidity to cover mandated reserve requirements. Given the limited funds available, banks raised interbank rates from the 20 percent of the previous year to 33.45 percent in November, and then to a temporary peak of 55 percent in December. The prime rate—the lowest rate available in the domestic market for credit-

worthy borrowers—reached 26 percent, up from the 17 percent available before the tragedy of August 21.[48]

It was evident by the end of 1983 that if international confidence was not restored, there would be pressure to devalue the peso even more. The rate of inflation would accelerate further; this, coupled with the existing partial price controls, could generate serious shortages of essentials. Negative growth would continue, increasing the rate of unemployment.[49] The political consequences would not be hard to anticipate.

Philippine farmers, already facing an extended drought, had to contend with increases in the cost of fertilizer, diesel fuel, and pesticides that averaged over 20 percent. Many farmers, still amortizing the cost of acquired land, were faced with a significant decline in real income. Construction subcontracts that supported small businesses in the countryside, themselves a product of the government's infrastructural projects, became increasingly scarce as the austerity program took effect.[50]

In the cities the unavailability of credit forced plant closings and further increased unemployment in a work environment that must provide for one of the highest rates of new entrants in all of Asia. Business failures in the urban centers fueled increasing alienation among the entrepreneurial community.

Public Opinion in 1984

By the beginning of 1984 the political effects of the crisis began to manifest themselves in public attitudes. Polls conducted in January 1984 revealed a serious erosion of support for the central government. Only 41 percent of a probability sample of Manilans expressed satisfaction with President Marcos's handling of economic affairs; 32 percent expressed dissatisfaction, while 27 percent declined to reply. Roughly the same distribution occurred in responses to questions about the president's handling of national political affairs.[51] Over a third (36 percent) favored the president's resignation.

The disaffection seemed to become even more emphatic the further the queries moved from Marcos himself. Fifty-five percent of the respondents, for example, favored the decision by Imelda

Romualdez Marcos, wife of the president, not to vie for a seat in the national assembly in the forthcoming elections. Only 19 percent favored her efforts to retain a seat in the legislature. While 44 percent expressed the opinion that the wife of the president had "the interest of the people as her priority," 25 percent disagreed and 31 percent would not venture an opinion. Fifty-seven percent believed that Mrs. Marcos was "given to extravagance both in her projects and trips abroad"; only 11 percent thought otherwise.

Almost 60 percent of the respondents felt that the anti-Marcos political opposition either was a "viable force" or was becoming one. Forty percent felt that the anti-Marcos opposition had a "very good" chance or at least "some chance" in the forthcoming national elections against the hitherto dominant KBL, while only 15 percent held that the opposition had little or no chance at all. As a consequence, almost half (46 percent) objected to the notion of boycotting the national elections. Only 20 percent favored such a move as an expression of opposition to the central government.

Almost 84 percent of those queried felt that the quality of life in the Philippines had deteriorated during the second half of 1983. Fifty-seven percent anticipated (probably correctly) that the quality of life would erode further in 1984. About 40 percent saw the Marcos administration as guilty of acts of political repression and violations of civil and political rights. Almost half (47 percent) refused to render a judgment on this sensitive issue, while only 13 percent felt that the government was innocent of such infractions.

Perhaps the most interesting feature of the survey was that the most emphatic negative judgments originated with the higher socioeconomic groups, the young, students, and members of the working population—elements that could be expected to be politically assertive. Among business groups and professionals the alienation produced by the 1982 reforms in tariff and tax policies was exacerbated by Aquino's death.

New Life for the Opposition

As hostility to the central government escalated, the fragmented and demoralized opposition groups received a new lease on life. Moral and financial support increased, and their capabilities and recruitment potential improved. Student groups that had remained

hostile but passive toward the central government found more occasion to employ their energies. More and more publications hostile to the government made their appearance, and rallies held to commemorate the life of Aquino provided vehicles for anti-Marcos mobilization.

By the start of 1984, deteriorating economic conditions, the increasing restiveness of the political opposition, and the serious erosion of support for the government among the middle and upper classes all contributed to the possibility of serious political instability. A growing belief that the administration had mismanaged the economy was fed by the revelation that the international debt of the Philippines was closer to $24 billion than the previously reported $18 billion. A perception that the entourage around Marcos was exploiting the national economy was given increased salience by an articulate and aroused political opposition partially unified by the murder of Aquino. Passive opposition to the style and activities of the president's wife in her capacity as governor of Manila and minister of human settlements rapidly became more overt.[52] Spokesmen for the Catholic Church became more critical, and leaders in the business community publicly recommended the resignation of President Marcos. There was a sense of imminent and substantial change that agitated the more active opponents of the Marcos government. In the United States, even the very cautious and conservative commentators spoke of the "end of the Marcos era."[53] Every expression of dissent was taken to be a harbinger of revolution. The talk was of the Philippines as the "next Iran" or the "next Nicaragua."

The assassination of Benigno Aquino had precipitated a crisis of such magnitude that the future of the Philippines appeared grim at best. The possibility of widespread revolutionary violence seemed to increase with each passing week. The most ominous predictions of the most intransigent critics of the Marcos government seemed to have been borne out by events. Not only was the future threatening for the long-suffering millions in the Philippines, but the United States suddenly found its strategic, economic, and political interests in the islands in jeopardy. The crisis in the Philippines produced a number of foreign policy problems that were to tax the capabilities of U.S. diplomacy.

CHAPTER FOUR

The Alternatives

AMONG FILIPINOS THERE IS a pervasive and persistent disposition to attribute almost everything that happens in their country, for good or ill, to U.S. influence, particularly to decisions made in Washington. Raul Manglapus has complained that Filipinos remain "incurably romantic" concerning Americans. The United States is conceived of as the "divine protector, the impeccable dispenser of . . . charity."[1] To the less romantic, Americans appear to have manipulated every aspect of Philippine life for eight decades in order to render Filipinos subservient. For instance, Americans introduced mass education to "attract the people to the new masters and . . . dilute their nationalism. . . . Young minds had to be shaped to conform to American ideas."[2] According to this thesis, all U.S. efforts were carefully crafted interventions into Philippine life to further one "fundamental objective, . . . to enhance economic exploitation."[3] Even today, agents of the United States are said to corrupt Philippine political leadership, transforming the islands into a "neo-colony in the guise of helping them develop their economies."[4]

For Communist ideologues, the United States has simply dominated the Philippines through its employment of "traitors," those "political representatives of [the] exploiting classes" who have conspired with "such agencies as the Joint U.S. Military Advisory Group and the Central Intelligence Agency" to impose "fascism" on the people.[5] Very little that happens in the Philippines, it would seem, escapes the control of these all-powerful U.S. agencies. Even the moderate anti-Marcos opposition believes that before Ferdinand Marcos decided to impose martial rule in 1972 he felt compelled to telephone President Nixon to solicit his approval.[6]

Other than the most sophisticated, few Filipinos seem to have any comprehension of how the U.S. political system functions. Most of them fail to realize the multiplicity of forces at work, which range from special groups concerned with import concessions to labor unions committed to restricting imports; from human-rights groups importuning Congress to make aid to the Philippines conditional to U.S. embassy officials attempting to balance competing interests while at the same time defending their careers; from Pentagon representatives involved with security concerns to presidents with their own ideological biases who remain hostage to the next election. Many Filipinos imagine that there is a central clearinghouse somewhere on Wall Street or within the International Monetary Fund where a master plan has been prepared to manipulate all aspects of Philippine life.

Reality bears little resemblance to this conspiratorial view, and politically active Filipinos understand the difference. Expatriate opposition groups in the United States for example, have put together a complex network of organizations specifically designed to influence the U.S. Congress, the media, and public opinion. They have been quite successful in preventing the media from carrying material favorable to the Marcos administration. Representatives of the anti-Marcos opposition regularly and predictably appear before congressional committees in efforts to influence political decisions—and the anti-Marcos confraternity probably makes up one of the most effective lobbying enterprises in Washington.[7] Appeals by these groups sometimes result in cuts in aid appropriations or in congressional resolutions focusing on Manila's human-rights infractions.

As for the political decisions of Ferdinand Marcos, it is very unlikely that anything U.S. officials might do would have a direct influence on his behavior. That the proud president would solicit direct American approval of anything he chose to do before he did it is equally unlikely. The United States has and will continue to have indirect influence in the Philippines through its aid programs and through lending institutions over which it has some control. Using this leverage, the United States will probably seek to protect its interests by trying to stabilize the situation and create conditions for evolutionary, rather than radical, change.

While U.S. officials maintain some kind of contact, as a matter of course, with all the significant political actors in the Philippines, it has been suggested that American representatives should especially cultivate contacts with Filipinos believed to be potential leaders of the country—whether their orientation be pro- or anti-Marcos—in an effort to protect long-term American interests. However sensible such a suggestion is, it is not at all clear that U.S. officials have undertaken systematic assessments of how each faction views Philippine-U.S. relations.

While an accession to power by the radical left in the Philippines would clearly be contrary to U.S. economic and security interests, many Americans in the media and in the State Department seem convinced that a "moderate" anti-Marcos succession would offer both a return to political democracy and the prevalence in Manila of a political elite whose interests would be compatible with those of the United States. The U.S. media seem to favor the leaders of the "democratic" opposition by providing both coverage and commentary that lends them credibility.

At times, the Roman Catholic Church in the Philippines is alluded to as one of the forces that will influence the course of the crisis. Jaime Cardinal Sin, spiritual leader of the country's 40 million Catholics, is spoken of as one of Marcos's most consequential opponents, and the church is believed to constitute a force in defense of human rights and right reason.

More recently, the U.S. media have focused on the restive middle class in the Philippines as a potential force with which the Marcos administration must reckon. The Makati Business Club, a voluntary organization that represents the major business interests in the country, has provided a forum in which the interests of the financial and entrepreneurial elite of the islands find expression.

All these elements are parts of the complex configuration of forces that shapes, and will continue to shape, political events, and all these anti-Marcos elements have their partisans among U.S. public officials, the media, and the intellectual community.

There is also a network of organizations in the United States that represents the views of the Philippine radical left. The Philippine Solidarity Network (formerly the Friends of the Filipino People) has connections with the International Association of Filipino Pa-

triots, which in turn has connections with the Congress Task Force, which in turn has connections with the Coalition Against the Marcos Dictatorship. These groups, and others, share leadership and cadre, and produce an impressive amount of literature, all of it characterized by the same themes: The United States maintains "neocolonial" control over the Philippines by employing Marcos as its "instrument,"[8] for the purposes of economic rapine;[9] the only salvation for the Philippines is the advent to power of a "socialist" government[10] that would reorient the economy toward "self-sufficiency" and abrogate all "unequal treaties" with the "imperialist" United States. All these groups place emphasis on "the immediate and complete withdrawal of U.S. military bases" from the archipelago.[11]

Americans who find some merit in these ideas include Elaine Elinson, public information director of the American Civil Liberties Union of Northern California, and Richard Falk, a professor of political science at Princeton. Such views have been set forth in the pages of the *Los Angeles Times*, *The Nation* (by David Kinley), and the *San Francisco Chronicle* (by Elaine Elinson). But it seems unlikely that any public official of the United States will take them seriously. The goals sought by proponents of these views are so clearly inimical to general U.S. interests, and the forces in the Philippines that support such goals are so insubstantial, that it is not necessary to consider them further.

The same cannot be said for other anti-Marcos elements discussed below. Each has been treated seriously in U.S. media, and each has been given attentive hearings by U.S. officials. Each represents a body of opinion that should not be neglected in any policy planning.

The 'Christian' Opposition

When Americans speak of the moderate anti-Marcos political opposition, they mean a loose collection of associations, both small and large, that do not identify themselves with the revolutionary aspirations of the Maoist Communist party or the secessionist Moro Liberation Front. Aquino was perhaps the most prominent member of this loosely structured opposition. Today, former sen-

ators Raul S. Manglapus, Salvador Laurel, José Diokno, and Lorenzo Tañada remain those most familiar to Americans.

Manglapus is perhaps the most articulate among them. As the expatriate leader of the Movement for a Free Philippines, he has attracted considerable support in the United States. Long a critic of Marcos, Manglapus settled in the United States after the imposition of martial law in 1972. Since then a substantial number of Americans have seen him as a democratic alternative to the authoritarian Marcos, even though his long absence from the Philippines has reduced his credibility among his constituency.

In the mid-1960s Manglapus was considered to be "America's boy" by both his supporters and his opponents. He was a democrat and a convinced Catholic. Maoists and radicals considered him an "agent of the CIA," and he made no secret of his opposition to "godless Communism." In 1967 he founded the Christian Social Movement in an effort to introduce an "ideological choice" into a political environment governed, in his judgment, only by transparent material interests.[12] In that regard, there has never been any doubt that the ideology of which he spoke was a kind of Catholic social doctrine animated by "spiritual" concerns and humanity.[13]

A Move to the Left

By the late 1960s, Manglapus began to shift from centrist views to leftist ones. Those who were unkind, or superficial, suggested that the shift was occasioned by the need to change his image as "Raul the errand boy of the Americans."[14] But there is evidence that something more substantial was taking place.

Manglapus discovered in 1966 that "Asia needs revolution" and intimated that the "principles of the American Constitution and Declaration of Independence may no longer suffice" to meet the demands of the times. (The quotations in this paragraph are from a book by him published in 1967.) Moreover, "capitalism" and "free enterprise" began to take on odious connotations, and "anti-Communism" seemed to be little more than a contrivance invoked to prop up oppressive systems.[15] Asia, Manglapus asserted, was not ready for the "patchwork democracy" that appears to have worked so well in North America. On the other hand, he found "responsiveness" and a "Faustian drive" among the Communists

of the People's Republic of China. He discovered that the followers of Mao Zedong had produced a kind of "Asian pragmatism," a strategy for solving indigenous problems in a manner more suitable to the genius of Asians.[16]

However quaint these notions may appear, and whatever the degree of his alienation from the United States, it was evident that Manglapus was not advocating Communism as a solution to Asian problems. And there was no reason to disbelieve him when he said, "We stand in admiration of the driving commitment of the [Maoist] New People's Army to fight [the Marcos] dictatorship. But we can never accept the NPA's version of a dictatorship of the proletariat."[17]

A Variant of 'Liberation Theology'

What Manglapus was advocating was some form of the "liberation theology" that had begun to make its appearance among Latin American Catholics about that time. By the mid-1970s his notions were more explicit. The contest in the Philippines, as he saw it, would be among the ideology of Mao Zedong, the Koran, and "the Christian theology of liberation."[18] On the basis of loosely framed notions of liberation theology, Manglapus developed the view that the Marcos government was the product of an "authoritarian coalition [of] technocrats, militarists, and multinational corporations." This coalition received the "stubborn support" of the United States in its selfish pursuit of "stability and profits."[19]

These ideas have become central to the Christian Social Democracy with which Manglapus identifies himself. In substance, they constitute a variant of the liberation theology found in the writings of Dom Helder Pessoa Camara of the Brazilian Catholic hierarchy, to whom Manglapus refers with hearty approval.[20]

Bishop Camara's conviction is that the "great economic empires" of the world would "like to divide the world among themselves." In the industrialized nations the masters of wealth undertake to accomplish this through "an all-powerful" economic apparatus controlled by "the cold and calculating manipulators of war and peace . . . , the implacable wheelers and dealers of international finance." These men exert dangerous control over the media, the universities, national governments, and even the

church. According to Camara, the "proletarian nations are at the mercy of [these] affluent nations." Countries like Cuba, according to this assessment, have attempted nothing more than to "break free of . . . misery and underdevelopment." It was the United States that forced Cuba to commit "follies." Communism is a "bugaboo" invented by the privileged to impose exploitative "stability on the oppressed nations that seek social justice and democracy." It is not the case that the contemporary world is witness to a confrontation between Communism and "freedom," for there is really very little to distinguish the behavior of the Soviet Union from that of the United States. The results of capitalist investments in the underdeveloped world are as "inhuman" as any Soviet oppression. The "international trusts" of the United States exploit the Third World as onerously as the Soviet Union exploits its captive states.[21]

The Prebisch Report

Little of this, other than its general affirmation of humane sentiments, has anything to do with traditional Catholic or Christian doctrine. Its major source is a report prepared by Raul Prebisch for the United Nations Conference on Trade and Development (UNCTAD) in 1964.[22] The principal theses of the report are that the less developed countries (LDCs), suffering extremely low living standards, with real growth near stagnation and subject to ever-widening inequality of income between themselves and the more developed countries, languish in these conditions as a consequence of external market forces beyond their control. The persistent and inherent long-range deterioration in the terms of trade, the declining demand for exports of primary products, and monopolistic control over the production and distribution of both manufactured goods and technology condemn the LDCs to insufficient real growth, and their populations to unemployment, illiteracy, starvation, and despair.

In effect, Camara (explicitly) and Manglapus (implicitly) take a secular ideology as their point of departure.[23] Neither one is responding to Catholic or Christian social teaching in deciding that the international behavior of the United States is as objectionable as that of the Soviet Union, or that the United States "stubbornly

supports" Marcos to exploit the people of the Philippines. Both accepted the findings of an ideologically motivated technical report dealing with a complex and disputed subject as though it constituted irrefutable truth about the realities of the world.

The fact is that the Prebisch report has been the subject of substantial technical criticism, and specialists are not of one mind about it.[24] To make it the heart of a "Christian" policy is to ignore the criticism and elevate the report to the status of revealed truth. To make it the determinant of policy is to equate the foreign trade and investment policies of the United States with Soviet control of Eastern Europe—and to see the United States as the headquarters of a conspiracy of "cold and calculating manipulators" that suppresses the Third World in general, and the Philippines in particular. Furthermore, according to this thesis, the U.S. claim to be a "defender of freedom" is spurious, a device to dominate weaker nations. Therefore, the suggestion that there are legitimate U.S. security concerns in Southeast Asia can hardly be taken seriously.

Neither free trade nor open investment policies nor U.S. security interests could be expected to prosper in a political environment where policy was determined by the peculiar convictions that have become part of the intellectual baggage of Raul Manglapus.

The anti-Americanism that results from these notions is apparent in the political posturing of the various "Christian Democratic" and "Christian Socialist" groups that have surfaced in the Philippines in the recent past. The members of the "Light-A-Fire" and "April 6th" liberation movements, as well as the "Catholic Liberation Army," have all been described as "Catholic progressives." These groups appear to have substantial, if ill-defined, relations with Manglapus's Movement for a Free Philippines and with the United Party of Democratic Socialists.[25] All these groups, however much they "admire the determination of the NPA" in its resistance to Marcos, have apparently refused to enter into active collaboration with the Communists. Their refusal is presumably based on domestic policy differences, since their attitudes toward the United States are similar.

In April 1981, as a case in point, the central committee of the April 6th Liberation Movement produced an account of its political rationale. The account provides the same collection of propositions

found in less exacerbated form in the utterances of Manglapus and Camara. We are told, with unqualified assurance, that the Republic of the Philippines languishes under the economic dominance of the United States, and that Washington "backed" the Marcos "coup" in 1972 to ensure that dominance. The solution to the complex Philippine problem is revolution that would overthrow the "U.S.-Marcos dictatorship," dismantle the apparatus of U.S. dominance, "reorient" the economy, and end the "U.S. military occupation."[26]

The "moderate" Christian opposition to Marcos differs from the Maoist Communist Party of the Philippines not in its assessment of U.S.-Philippine relations but only in the type of internal political arrangements it foresees. However important that difference might be to Filipinos, it provides scant comfort to Americans concerned about East Asian security and other fundamental U.S. policy interests.

As we have seen, elements of these notions appeared in the writings of Manglapus some time before the advent of martial law. His kind of liberation theology is inextricably anti-American, because he insists that U.S. trade and investment relations are invariably damaging to the well-being of the Philippine people and U.S. military bases there are part of a "structure of oppression." These conclusions are indistinguishable from those of the New Left and its Maoist exponents in the Philippines. Although Manglapus has studiously avoided making clear statements on many of these issues,[27] it is apparent where the logic of his convictions must lead him. His long association with the left makes some form of overt or covert anti-Americanism predictable should he or his movement play any significant role in a post-Marcos era.

The 'Moderate' Opposition

Salvador Laurel, José Diokno, and Lorenzo Tañada are those most frequently linked with the "moderate" opposition to the Marcos government. The U.S. media often portray these men as civil libertarians and principled democrats whose fundamental interest is the restoration of pluralist democracy in the Republic of the Philippines, all of which may very well be true. What is generally

not conveyed is the rationale behind their seemingly laudable political activities.

Diokno and Tañada have enjoyed considerable visibility in the United States. As ranking members of the Civil Liberties Union of the Philippines (CLUP), they have been instrumental in appealing to Americans for support in the struggle against the Marcos government. In 1976 CLUP published an assessment of conditions in the Philippines, the nature of the martial-law regime, and the responsibilities of the United States. According to this account, Marcos imposed martial law because he wanted to remain in power, the privileged elites of the Philippines wished to protect their wealth, and the United States wanted to "protect U.S. bases, secure U.S. investments, and allow easier entry and greater scope for foreign capital." Washington sought to undermine the "principles and objectives of economic nationalism" adopted by the Philippine government, because a "nationalist" economic policy would threaten American profits and render the Philippines "truly independent"—that is to say, animated by a policy "opposed [to] the interests of foreign capital." As a consequence, eliminating "all debate and criticism" of American "imperialism" and transferring "all power to one man . . . answered the needs of the U.S. government and business interests." Washington is believed to have conspired with Marcos to impose martial law on the Philippines and then to have rewarded him for his successful execution of the plan.[28]

This kind of analysis cannot be considered the consequence of momentary pique. In 1983, Diokno, as chairman of the Movement for Philippine Sovereignty and Democracy, wrote the foreword to Edberto M. Villegas's *Studies in Philippine Political Economy*.[29] In it he says that Villegas reveals that Filipinos are being "exploited and abused for the benefit of foreign interests" by the incumbent elite. In the text we are told much more, namely, that "U.S. economic imperialism" has deformed the economy, extracted inordinate profits, exploited labor, condemned Philippine children to malnutrition, and rendered the population "hewers of wood and drawers of water" for world capitalism.

All these notions are part of the shopworn theses of the New Left that achieved some popularity during the early 1970s and are

now largely discredited in the professional literature.[30] The spectacular performances of the economies of the Republic of Korea, the Republic of China on Taiwan, Singapore, and Hong Kong have refuted all the major claims of "dependency theory."[31] Unhappily, as the analysis found in the literature of the "moderate" anti-Marcos opposition has become less professionally credible, the claims made by that opposition have become increasingly strident. Diokno speaks candidly of the United States as an "enemy." He advocates "nationalization" of foreign holdings in the Philippines and the dismantling of the U.S. bases, and affirms that no one in the Philippines can "win the trust of the people" if he is "pro-American": "anyone who takes a pro-American position is immediately suspect in the eyes of the vast majority."[32] Together with Salvador Laurel, Diokno has led the United Nationalist Democratic Organization (UNIDO), the umbrella organization for the moderate anti-Marcos opposition groups, into making abrogation of the U.S.-Philippine bases agreement a formal policy commitment.[33]

A Long History of Anti-Americanism

The anti-Americanism that characterizes much of the moderate opposition in the Philippines has a relatively long history. Elements of it were prevalent among some Philippine political figures even before the events that led to martial law. For instance, when the Movement for National Security publicly advocated the abrogation of the bases agreement in March 1983, one of its principal spokesmen was Alejandro Lichauco, a politician who had led the "independent" delegates to the Philippine Constitutional Convention of 1971. At the time of the convention, Lichauco submitted a resolution to the delegates denouncing the "victimization" of the Philippines by the United States. He maintained that the afflictions that have beset social, political, and diplomatic life in the Philippines could be understood only as by-products of U.S. imperialism. The solution was the "dismantling" of that imperialism—of which the military connection between Manila and Washington was an essential part. In the 1971 resolution Lichauco said:

> No one today can seriously deny that [the U.S. bases in the Philippines] have not only outlived whatever usefulness may have been attributed to them in the past, but that in this nuclear

> age, and considering America's propensity for military adventure and involvement in other countries, these bases have now become security risks of considerable magnitude. . . . But in the ultimate sense, the most damaging aspect of these bases is that they actually represent an impairment of the nation's sovereignty and the ultimate reminder to our people . . . of the essentially neocolonial status of our Republic.[34]

Lichauco made precisely the same contentions in 1982 and 1983.[35]

Between 1972 and 1984, most of the core members of the pre-martial-law Liberal party and Nacionalista party defected to Marcos's Kilusang Bagong Lipunan; only those adamantly opposed to U.S. interests in the Philippines transferred their loyalties to the moderate opposition. As a consequence, those "moderates" assumed an essentially anti-American posture, basing their policies on a "nationalist" economic program and an abrogation of the U.S.-Philippine military bases agreement.

Most of the moderate opposition leaders apparently expected to attract the support of business elements interested in restoring the policies of insulated economic development that predated martial law—the fostering of industries that would provide commodities for domestic consumption, protected from foreign competition by tariff constraints. Such a strategy would probably undermine the archipelago's hope of sustained real growth and would ultimately weaken the security relationship with the United States.

The moderate opposition has worked itself into an awkward position. Its emphasis on a policy of import substitution and sheltered growth appeals to only a small segment of the Philippine economic elite. Since the rest of that elite has invested in a policy of export-oriented growth, the opposition can expect only qualified support, at best, from the business community. However alienated Philippine businessmen have become from the Marcos regime because of policy failures, charges of cronyism and corruption, and evidence of incompetence, they can hardly be expected to support a development policy that failed once before.

Moreover, there is little evidence that the average Filipino is anti-American or that he objects to the presence of U.S. bases. It is therefore unlikely that there will be a groundswell of support for abrogating the bases agreement. But the leaders of the moderate opposition have held this position for such a long time that they

would have difficulty abandoning it without a serious loss of credibility. Moreover, their principal supporters—students in the universities, leftist semi-professionals, and free-floating academics—have made a virtue of a surly anti-Americanism. For the leaders of the moderate opposition to abandon their anti-American posture would cost them the support of their most aggressive constituencies and the cadre that staffs their organizations.

Should the political situation in the Philippines deteriorate further, it is probable that the moderate anti-Marcos opposition would make common cause with the more radical elements rather than abandon positions held as early as 1964.[36] Some of the moderate leaders have shown some awareness of the limitations of the positions espoused by the United Nationalist Democratic Organization,[37] but it is unlikely that significant changes can be made now in beliefs held for such a long time.

Even if the Reagan, or any subsequent American, administration were prepared to support the moderates, it appears that there would be little change in their views of the United States. The wife of Renato Constantino, one of the major theoreticians of the "nationalist" opposition, recently warned against putting any confidence in conciliatory moves by the "imperialist Americans." She argued that Filipinos should not be deluded by any such efforts, since they would be calculated to deflect the Philippines from "dismantling the [American] bases" and the entire machinery of "imperialist exploitation."[38]

Opposition From the Roman Catholic Church

The remaining major opposition forces in the Philippines can be broadly identified with either the Roman Catholic Church or the Makati Business Club, the first representing the 85 percent of the Philippine population that calls itself Roman Catholic, the second composed of the major domestic business groups. Both organizations include vocal and influential opponents of the Marcos government, although the church has more moral weight and international impact. Some elements in the church have addressed the issue of the U.S. bases.

The two major organizations of the Philippine Catholic Church are the Association of Major Religious Superiors (AMRS) and the Catholic Bishops Conference (CBC). The AMRS represents about 10,000 priests and nuns who are generally younger, less conservative, and more oriented toward social action than the seventy-six bishops who compose the CBC. Both groups, however, have become increasingly critical of the Marcos regime since the imposition of martial law in 1972.[39] They have denounced the infractions of civil and political rights that have attended Marcos's experiment in "constitutional authoritarianism." They have lamented the poverty that afflicts most Filipinos and have deplored government corruption, bureaucratic inefficiency, pervasive disorder, the prevalence of social problems such as drug abuse, alcoholism, and gambling, and the inadequacies of judicial remedies in resolving citizen grievances.[40]

In substance, the major thrust of the church's criticisms has been reformist and nonrevolutionary. The Vatican's admonitions to church members to abjure revolutionary violence have been accepted and given wide circulation in church publications.[41] Nevertheless, some members of the clergy have adopted the more extreme positions of proponents of "liberation theology."

As we have seen, neo-Marxist liberation theology insists that most of the world's ills result from "imperialist" machinations, against which only "national liberation" and "social revolution" can be effective.[42] In this view, the wretchedness of the underdeveloped communities can "only be understood in terms of the dependency relationship with the developed world. . . . In large measure . . . underdevelopment . . . is a by-product of capitalist development of the West."[43] Only a radical break with the capitalist world can end oppression.

Some Philippine clerics have embraced this version of "liberation theology" and have committed themselves to revolutionary violence. In 1979 Father Conrado Balweg discarded his cassock and took up arms with the New People's Army. Late in October 1982, Father Zacarias Agatep was killed while serving as a combatant with the NPA. In mid-December of the same year, Father Edgardo Kangleon confessed to long collaboration with the Marx-

ist revolutionaries in Samar. Bishop Cirilo Alamario, Jr., has confirmed the disposition among some of the Philippine clergy to use "Marxist methods together with Christian principles" to advocate "armed struggle."[44] The "progressive Christians" who make up the membership of the April 6th Liberation Movement and the Catholic Liberation Army are of this persuasion.

The pattern of radicalization among Catholic extremists in the Philippines is very similar to that in Latin America. From the first "action squads" who "ministered to the poor," to the decision to take up arms in guerrilla warfare, the radical Philippine clergy has followed the radical clergy of Latin America.

At the same time, the Catholic Church as an institution in the Philippines is not revolutionary. Unlike the Islamic clergy of Iran, the Catholic Church in the Philippines is highly unlikely to supply the leadership or the communications infrastructure for a revolutionary undertaking. Even in Latin America, where a significant minority of the Catholic clergy has involved itself in radical politics, the church has not identified itself with revolution. In Chile the "Cristianos por el socialismo" attempted to forge a synthesis between their faith and the Marxism of Salvador Allende, basing their efforts on the writings of some of the liberation theologians of the region, only to have their efforts rejected by the church hierarchy.[45] Since then, the church's experience with radical priests and radical regimes has increased the hierarchy's reservations concerning any revolutionary enterprise. The advent of the "Popular Church" in revolutionary Nicaragua, which has substantially disengaged itself from the control of Rome, has prompted the church to be far more circumspect in its contacts with the radical left. Pope John Paul II has been forthright in his condemnation of the "radicalization" of church doctrine at the hands of some liberation theologians.[46]

Thus it is extremely unlikely that the Catholic Church in the Philippines will ever advocate the nationalization of foreign equity holdings, the cessation of multilateral trade, or the abrogation of U.S.-Philippine strategic relations.[47] Nor is the church likely to ally itself with any revolutionary force to the extent that would make armed rebellion a real prospect. The church will undoubtedly remain an outspoken critic of the Marcos administration. It

will continue to insist upon the rights of the poor and the disadvantaged, urge a restoration of democratic institutions, and insist on a "reconciliation of hearts." It will constitute a substantial force in the service of institutional reform. But it will not precipitate a revolutionary crisis, nor will it become a direct threat to U.S. economic or security interests.

Opposition From the Makati Business Club

Of all the anti-Marcos opposition forces in the Philippines, the most benign with respect to U.S. interests is the Makati Business Club, a voluntary organization founded by Enrique Zobel that serves as a private forum for business and economic leaders who seek to influence national policy. Since the assassination of Aquino in August 1983, the club has been more forthright in its call for substantive reform and has officially recommended the resignation of President Marcos to restore international confidence in the political stability and integrity of the country.[48] The club developed an extensive list of reforms, including reconstruction of the mechanisms for accountability within the political system, increased public participation in the formulation of policy, a program for modernizing the agrarian sector, acceleration of economic research and development, more effective surveillance of monetary and loan policies, and more effective means of controlling bureaucratic corruption and inefficiency.[49]

The increased activity of the club is largely in response to what it sees as the accelerating deterioration of the political and economic order in the wake of Aquino's murder, but most of its recommendations appeared in the club's official publications in 1982. The club represents a reformist element that is not basically hostile to American economic and security interests. Club spokesmen explicitly advocate linking large multinational corporations and their subsidiaries to a growth program for small and medium-sized industries in the Philippines through joint undertakings, licensing arrangements, and cooperation in research and development.[50] Primarily concerned with domestic growth and development, members of the group understand that American ties are conducive to that end. None of their publications has advocated a

change in security arrangements with the United States. In sum, the club offers support, however qualified, for a continuation of stable U.S.-Philippine relations. In fact, it has warned that factions among the "moderate" opposition "have reacted sympathetically to the NPA's anti-administration and anti-American overtures and propaganda," a development that could only bode ill for the future of the republic.[51]

The Political Outlook

Given this spectrum of political forces, the prospects for basic stability in the short term are reasonably good. Those forces explicitly committed to armed revolution have never entered the mainstream; they have been marginalized. The Muslim insurgency in the south has been largely defused, and the Communist revolutionaries scattered throughout some of the major islands have been driven into the more inaccessible regions (where, of course, reduced mobility and lack of logistical support have impaired the counterinsurgency efforts of the Philippine armed forces).[52] Without the support of urban activists and the substantial financial resources they need to increase their firepower and endurance in the field, the guerrillas will have to confine themselves to platoon-size skirmishes with the armed forces. Only a near total collapse of the domestic economy could create the conditions that would begin to offset their present disabilities. But even with increased recruitment among the urban unemployed and increased revenues from a desperate middle class, the lack of leadership that now afflicts the Communist movement would militate against success.

Moreover, the administration has rewarded the Philippine military and constabulary forces with wage increases and upward mobility to such an extent that their loyalty seems reasonably secure. To date, there has been no evidence of any large-scale defection in the ranks of the security forces, and unless the situation changes dramatically, no such alienation can be expected.

Polls administered by the Development Academy of the Philippines indicate that public sentiment toward the anti-Marcos opposition remains ambivalent. The leadership is seen as aged and self-serving. Most of the agitation following the Aquino assassination

was anti-Marcos, and the support garnered by the opposition was reactive in character. There is little evidence that the Philippine public would ever embrace all the anti-American postures of the "moderate" opposition.

Anti-Marcos political initiatives in the major urban areas seem to have been undertaken by middle-class business groups, who have supplied much of the direction and financing and have released their employees to fill out the crowds. The "confetti revolution"—as Filipinos have characterized demonstrations in the Makati business district—represents the exasperated reformist sentiment of the Philippine business community. Leaders of that kind of revolution will hardly become the vanguard for a violent revolution that might give vent to the grievances of the unemployed, the marginally employed, the squatters, and radical students.

Given the strength and integrity of the security forces and the essentially reformist posture of the church and a majority of the business groups, the most likely probability is that there will be a long test of strength in the Philippines between the present administration and the reformists. How difficult and protracted that test is to be will be determined by the concessions made by the central government and the readiness with which they are accepted by those urging reform.[53] Those concessions include not only provision for fair and open electoral contests but also more adequate defenses for citizen rights. Such defenses would involve real juridical safeguards for the rights of association and expression, and changes in the behavior of the security forces to ensure that they do not violate basic human rights.

The 1984 Elections

The elections for the national legislature conducted in May 1984 reflected the influence of all the active political forces in the Philippines. It was established that citizen groups would supervise the balloting, and it was evident that the anti-Marcos opposition would benefit from the sentiment generated by the Aquino assassination. The anti-Marcos groups were expected to enlarge their representation in the Batasan, the unicameral national legislature, but the extent to which they did so was surprising. In an election characterized by José Concepción (chairman of the national citizens'

movement that supervised the voting) as reflective of the popular will,[54] Marcos's KBL won more than 100 of the 183 contested seats, the combined anti-Marcos opposition won about 70, and independents captured 8.

The unexpectedly large voter turnout of approximately 83 percent reversed a trend of declining popular participation in Philippine elections. The Philippine electorate exercised its sovereignty in what Concepción called a "victory of the Philippine people" and a demonstration that "democracy is still alive in the country."[55] Notwithstanding the more than fifty formal complaints of irregularities lodged by members of the dominant KBL and by members of opposition groups, Western observers maintained that the government of the Philippines had gotten a free election "whether it wanted it or not."[56] U.S. embassy officials spoke of the elections as "an amazing exercise in democracy."[57]

The New Opposition Strength

The substantial number of opposition members in the national legislature will ensure that the most urgent issues receive critical attention. In 1982, when the Batasan had only thirteen opposition members, Emanuel Pelaez could raise sensitive questions about government accountability and about the conflicts of interest of some of the president's "cronies." With its markedly improved strength, the anti-Marcos opposition is certain to seek to achieve much more. It will surely attempt to reduce the prominence in economic affairs of persons who may have received special privileges in the past. There will probably be increased pressure to curtail government interference in the sugar and coconut industries, and increased insistence on greater public participation and government accountability in the formulation and execution of national economic policies. All this will necessarily involve a considerable dilution of the authoritarian features of the present system, but it will not threaten the continuity of that system. Ferdinand Marcos still heads the most formidable political organization in the Philippines. He also retains imposing executive powers and a working majority in the legislature. With careful orchestration of the process, "normalization" of the political sys-

tem will probably proceed without threatening the fundamental interests of any of the major participants.

A gradual but visible restoration of political normality should enhance domestic and international confidence in the stability of the Philippines, and the emergence of the major trading partners of the Philippines from recession should increase trade, leading to a gradual resolution of the financial and foreign-exchange problems of the economy.

Since 1980, the Philippines have had all the elements of a workable economic program in place.[58] The restructuring of the economy, the reform in the tariff system, the devaluation of the overvalued peso, the increased exposure to open market forces, and the reduction of central government intervention all contribute to the country's potential.[59] The earlier investments in infrastructure and energy development, the creation of a substantial nontraditional export base, and the provision of extensive irrigation facilities for rural areas should all begin to produce benefits for the economy by the late 1980s. With a ready supply of semiskilled, literate workers, Philippine economic expansion should then be dramatic.

American financial institutions and enterprises will have ample opportunity to contribute to that expansion. American firms, for example, will seek to collaborate in the development of the abundant coal deposits of the islands. Massive investments and substantial technical assistance will be required for exploration, mining, handling, and transporting coal. The Philippines will need nontraditional energy sources, too, such as biomass and solar energy—undertakings that will require both capital investment and technology transfers.

Joint ventures in the development of major industrial projects that have been delayed by the current crisis will also require U.S. participation. All the proposed projects—aluminum and copper smelters, steel mills, fertilizer plants, engineering industries, pulp and paper production units—will necessitate the cooperation of advanced industrial countries. Finally, as a product market, the expanding Philippine economy will absorb computers, energy-generation equipment, agricultural and industrial chemicals, mining equipment, and coal-handling facilities.

Recommendations for U.S. Policy

For all this to happen, the Republic of the Philippines needs a stable domestic environment and a predictable external security and economic environment. The United States can marginally assist in improving domestic stability and can significantly improve the external security and economic environment in which the Philippines must operate.

Most indicators suggest that economic conditions in the Philippines will worsen in the short term, but that they will slowly improve over a span of four or five years (perhaps with some negative growth in the interim) before rapid self-sustained growth begins. The next several years, then, will determine the future of the Philippines and its people.

Manila's most immediate concern is to gain access to short-term capital inflows to sustain the economy through the mid-1980s. The United States, through the Export-Import Bank, has increased it funding to offset the shortfall in Philippine foreign exchange. A delay in the provision of a $630 million loan from the International Monetary Fund in early 1984 was partially offset by the timely release of a large volume of small loan guarantees from the Ex-Im Bank that allowed Philippine industry to continue making purchases in the United States. A debt moratorium was granted to the Philippines in October 1983, and the Ex-Im Bank has guaranteed $290 million in commercial loans for industry and agriculture.

There is no statutory limit on the amount of loan guarantees the Ex-Im Bank can make available to U.S. exporters to the Philippines, and it is clear that such guarantees sustain American exports and thus serve American economic interests. Until the World Bank, the International Monetary Fund, the Asian Development Bank, and the U.S. Commodity Credit Corporation reestablish normal extension of credit to the Philippines, the activities of the Ex-Im Bank should be continued and enhanced.

The most recent memorandum of agreement on the U.S. military bases provided for $900 million in aid for the Philippines for the period 1985-89. More than half that sum, $475 million, is to be in Economic Support Funds (ESF), with the remainder consisting of $125 million in military grant assistance and $300 million in military sales credits.

The Philippines have never used all the allotted military sales credits. Because of foreign-exchange constraints and high interest rates, the central government has been able to use only about 35 percent of the allotments. If more of the credits could be transformed into direct economic assistance to be employed in areas suffering the most economic hardship, U.S. aid could serve both humane and political purposes. The alleviation of economic distress would reduce the recruitment potential of revolutionary forces in the countryside and correspondingly minimize occasions for the human-rights infractions that invariably attend irregular and clandestine civil war.

The expansion of direct U.S. economic aid would serve little purpose if that aid failed to reach the regions most in need. In the past, U.S. economic aid provided as compensation for the Philippine bases has been disbursed only to areas immediately adjacent to the bases. Now, however, such assistance is most needed in the Visayas and in Mindanao, where the seriously impaired economy has provided Communist insurgents with profitable opportunities for mischief. Enhanced economic aid could be used to expand current programs of rural assistance: the provision of health care, potable water, farmer-to-market roads, and technology on a scale suitable for small-farm use.[60] While such aid would not prevent revolutionary forces from gaining recruits, it would reduce their number.

Necessity of U.S. Military Aid

This recommendation should not be understood as a call for a reduction in direct military assistance. The argument has often been made that U.S. aid should be reduced as a signal of U.S. displeasure with human-rights violations by security forces or the central government. But such "signals" serve little purpose other than to assuage some constituency or other in the United States. U.S. representatives convey official concern over these issues directly; it is not necessary to employ indirect means.

Any reduction in direct military aid would reduce the effectiveness of the Philippine armed forces in their counterinsurgency campaign and would relegate more of the obligations of resisting the insurgent New People's Army to irregular and local forces that are not so well trained and manifestly less professional.

All available evidence indicates that the most serious human-rights violations in the Philippines have been associated with the anti-guerrilla campaigns in Samar and northern Mindanao and have resulted from the use of constabulary or local self-defense forces against the insurgents. Those forces were put together to supplement professional military units that lack the mobility and communications necessary to contend with irregular warfare. Any reduction in the effectiveness of the national armed forces would only mean greater reliance on minimally trained, nonprofessional units that have often used their arms or authority to pursue private ends. The use of ineffective and corrupt leaders directing locally recruited forces that are poorly compensated has led to the most serious human-rights infractions. The use of professional military units, on the other hand, has invariably led to a decline in such abuses.[61]

Punitive sanctions by the United States intended to discourage the violation of human rights would therefore be counterproductive if they resulted in greater dependence upon irregular counterinsurgency forces. The defense of U.S. interests in the Philippines requires increases in both direct economic aid and military assistance.

U.S. Attitude Toward the 'Moderates'

Beyond that, U.S. officials should abandon the public pretense that the "moderate" political opposition does not harbor deeply rooted anti-American sentiments. There is no reason why people like José Diokno, who identifies the United States as "an enemy" and anticipates a "considerable role" for the Communist New People's Army in the "post-Marcos era,"[62] should be treated with anything other than suspicion. Even as "moderate" an opposition leader as Agapito Aquino, brother of the slain Benigno, has called the Communists "objective allies" in the anti-Marcos struggle.[63]

The recent history of "democratic coalitions"—organized to restore democracy in authoritarian systems—that include Communists as "objective allies" cannot fail to give U.S. officials grave misgivings. "Democratic coalitions" that include armed Communists generally find themselves overwhelmed—and what results can hardly be called democracy. Such coalitions are part of the unfortunate history of Cuba, Laos, Cambodia, Vietnam, and Nic-

aragua. The usual result is a Communist-dominated regime that has little regard for human rights and is irremediably anti-American.

U.S. officials who have been candid with the Marcos administration should be equally candid with its opponents. There is no reason to deny that the recent reorganization of opposition groups behind a "Christian Socialist" program committed to "dismantling the neocolonial arrangements" between the United States and the Philippines is prejudicial to U.S. security and economic interests. Similarly, the Kongreso ng mga Mamamayang Pilipino (KOMPIL) organized by Agapito Aquino with Diokno and Salvador Laurel on its "council of leaders" can hardly be anything other than a forum for anti-U.S. posturing. The government of the United States has very little influence over these domestic developments in the Philippines, but there is no reason why such individuals or organizations should receive any kind of American moral support. There are enough Philippine groups that view U.S. and Philippine interests as fundamentally compatible to rule out the necessity of supporting anti-U.S. elements in order to influence the pace of democratic restoration in the Philippines.

The policies of much of the organized anti-U.S. "moderate" opposition are inimical not only to U.S. interests but also to Philippine ones. Most of the moderate opposition recommends a return to the inward-oriented economic policies of the past. The closing of the Philippine economy to the "rapacious exploitation of foreign [i.e., U.S.] interests" would mean that the technology-poor and capital-poor country would have to fall back on its own resources. Insistence on a reversal of "trade liberalization policies" would mean a return to noncompetitive industries that were inefficient and costly. There would be more, rather than less, government intervention in the economy.[64]

In substance, there is no reason why the United States should welcome the accession of any of these persons to positions of authority in Manila. They could only adversely affect U.S. security and economic interests, and probably bring ruin on their own fragile domestic economy.

U.S. interests can best be served by an evolution of the present system into one in which the protection of civil and political rights is institutionalized, and in which a responsible opposition func-

tions as a necessary counterweight to the dominant KBL. As recent experience indicates, the 1973 constitution is eminently amendable, and revision of its most objectionable features would predictably follow the normalization of the system.

The Roman Catholic Church, the military, representatives of business, and the technocrats who operate the present system serve as stabilizing supports for political arrangements that are undergoing normalization. For the immediate future, it seems unlikely that the anti-Marcos opposition will be able to mount a nationwide campaign that would seriously threaten the continuity of the current system.[65]

The long interlude of martial law undermined the political structure of all non-Marcos political organizations. In the 1984 elections the opposition's strength was largely in urban centers; in the elections of 1978 for the interim legislature, some of the regional groups had sufficient strength to beat the KBL. But until a unified opposition party is constructed on a nation-wide basis, the dominance of the KBL will be challenged only in urban areas and certain rural localities.

The local elections scheduled for 1987 should see hotly contested races for the *barangay*—the smallest representative units in the national political structure. The presidential election of 1987—unless there is some unforeseen change—should turn into a real contest and restore credibility to the system.

To foster the process, the government of the United States should continue to make clear its desire for a restoration of standard democratic procedures in the Philippines and an attendant institutionalization of guarantees for civil and political rights. Giving the people the opportunity to organize an effective democratic opposition that can elect its representatives to local and national offices is part of the evolving process of normalization.

Need for a Trade Treaty

In addition to providing advice and short-term financial assistance, the United States should enter into a formal treaty of trade and investment with the Philippines. There has been no such formal arrangement since 1974. Such formal assurance of access to the American market would give increased predictability to

Manila's plans to expand its production of nontraditional exports. Because the United States has emerged from recession, the protectionism that made it difficult to negotiate such a treaty can be expected to subside, making a mutually beneficial treaty more likely.

The United States can also urge Japan, the second-largest trading partner of the Philippines, to increase its concessional and nonconcessional loans to Manila as an indirect nonmilitary contribution to the stability and security of the entire region. Increased Japanese trade with, and investment in, the Philippines would serve the same general ends.

U.S. aid programs to the islands should be enlarged, for such bilateral cooperation affords Americans the opportunity of introducing techniques of personnel management and organization that invariably give practical substance to the democratic traditions of the Philippines. Those traditions are further fostered by the education of Filipinos in the United States and are strengthened through continuous interaction between Americans and Filipinos as equals.

All such efforts would be fully compatible with the general economic policies of the United States. These initiatives would contribute to the stability of the Philippines, augment the prospects of its program of normalization, and reduce the potential for human-rights infractions. Attempts to achieve these goals by inflicting punitive sanctions on systems suffering a crisis have proved to be counterproductive almost everywhere that they have been used.

At the moment, the greatest danger that threatens U.S. interests in the Philippines is economic collapse. That would produce a rapid upward spiral of unemployment in the major urban centers whose probable consequence would be massive unrest and organized violence. The most likely outcome under those conditions would be the intervention of the military and the real prospect of civil war. U.S. interests would then be compromised, and any hope that the Philippines could embark on a process of self-sustained growth would vanish. The United States might find itself compelled to evacuate the military bases it maintains in the islands, the peace and security of all of Southeast Asia would be threatened, and the resulting instability might precipitate a con-

frontation involving the Soviet Union, the People's Republic of China, and the United States. Not only would there be an escalation of human-rights abuses almost everywhere and a decline in the economic prospects of all the nations of the west Pacific—Communist and non-Communist alike—but there would be a rise in the possibility of conventional and perhaps nuclear conflict. The current crisis in the Philippines would then have become a crisis of global dimensions.

APPENDIX

U.S.-Philippine Mutual Defense Treaty

Signed in 1951 and ratified in 1952

THE PARTIES TO THIS TREATY,

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all Governments, and desiring to strengthen the fabric of peace in the Pacific Area,

Recalling with mutual pride the historic relationship which brought their two peoples together in a common bond of sympathy and mutual ideals to fight side-by-side against imperialist aggression during the last war,

Desiring to declare publicly and formally their sense of unity and their common determination to defend themselves against external armed attack, so that no potential aggressor could be under the illusion that either of them stands alone in the Pacific Area,

Desiring further to strengthen their present efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the Pacific Area,

Agreeing that nothing in this present instrument shall be considered or interpreted as in any way or sense altering or diminishing any existing agreements or understandings between the United States of America and the Republic of the Philippines,

Have agreed as follows:

Article I. The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Article II. In order more effectively to achieve the objective of this Treaty, the Parties separately and jointly by self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack.

Article III. The Parties, through their Foreign Ministers or their deputies, will consult together from time to time regarding the implementation of this Treaty and whenever in the opinion of either of them the territorial integrity, political independence or security of either of the Parties is threatened by external armed attack in the Pacific.

Article IV. Each Party recognizes that an armed attack in the Pacific Area on either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article V. For the purpose of Article IV, an armed attack on either of the Parties is deemed to include an armed attack on the metropolitan territory of either of the Parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific.

Article VI. This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

Article VII. This Treaty shall be ratified by the United States of America and the Republic of the Philippines in accordance with their respective constitutional processes and will come into force when instruments of ratification thereof have been exchanged by them at Manila.

Article VIII. This Treaty shall remain in force indefinitely. Either Party may terminate it one year after notice has been given to the other Party.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed this Treaty.

DONE in duplicate at Washington this thirtieth day of August 1951.

For the United States of America:
DEAN ACHESON
JOHN FOSTER DULLES
TOM CONNALLY
ALEXANDER WILEY

For the Republic of the Philippines:
CARLOS P. ROMULO
J M ELIZALDE
VICENTE FRANCISCO.
DIOSDADO MACAPAGAL

Notes

Chapter One

1. See the discussion in James C. Thomson, Jr., Peter W. Stanley, and John Curtis Perry, *Sentimental Imperialists: The American Experience in East Asia* (New York: Harper and Row, 1981), chap. 8.

2. See Eufronio M. Alip, *Political and Cultural History of the Philippines* (Manila: Alip and Sons, 1968), II, chaps. 8 and 9; and Margaret Leech, *In the Days of McKinley* (New York: Harper, 1959).

3. U.S. Congress, House, Committee on International Relations, Subcommittee on International Organizations, *Human Rights in South Korea and the Philippines*, 1975, pp. 105, 111, 122-23, 138, 175.

4. See the data in William Watts, *The United States and Asia: Changing Attitudes and Policies* (Lexington, Mass.: Lexington Books, 1982).

5. See Arthur S. Banks and Robert B. Textor, *A Cross-Policy Survey* (Cambridge, Mass.: MIT Press, 1963); and Jesse Marquette, "Social Mobilization and the Philippine Political System," *Comparative Political Studies* 4 (October 1971), pp. 339-49.

6. Seymour Martin Lipset, "Some Social Requisities of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53 (March 1959), pp. 65-105; see also J. S. Coleman, "Conclusions," in Gabriel Almond and J. S. Coleman (eds.), *The Politics of Developing Areas* (Princeton: Princeton University Press, 1960), pp. 532-36.

7. Geoffrey B. Hainsworth, "Economic Growth and Poverty in Southeast Asia: Malaysia, Indonesia, and the Philippines," *Pacific Affairs* 52 (Spring 1979), pp. 5-41.

8. See the comments of Gelia T. Castillo, "Mirror, Mirror on the Wall: An Analysis of Changing Social Images in a Developing Society," in *Ways and Means of Solving the Urgent Problems of Filipino Society* (Quezon City: National Research Council of the Philippines, 1970), pp. 23-38.

9. For one view, see Carl H. Landé, *Leaders, Factions and Parties: The Structure of Philippine Politics* (New Haven: Yale University Press, 1964).

10. See Renato Constantino, "The Miseducation of the Filipino," *Weekly Graphic*, 8 June 1966, pp. 7, 8, 12. For an opposing view, see Diosdado Macapagal, *Democracy in the Philippines* (Downsview, Ontario: Ruben J. Cuspag, 1976), chap. 7.

11. Renato Constantino, *The Philippines: A Past Revisited* (Manila: Constantino, 1975), pp. 320-21.

12. See Steve Frantzich, "Party Switching in the Philippine Context," *Philippine Studies* 16 (October 1968), pp. 750-68.

13. See *The Philippines: End of an Illusion* (London: Association for Radical East Asian Studies, 1973); and Norman G. Owen, "Philippine Society and American Colonialism," *Solidarity* 7, No. 8 (August 1972), pp. 1-8.

14. See *Manifesto of the National Democratic Front—Philippines* (Manfield Depot, Conn.: Philippine Research Center, n.d.); and Amado Guerrero, *Philippine Society and Revolution* (Oakland, Calif.: International Association of Filipino Patriots, 1979).

15. Guerrero, *Philippine Society and Revolution*, pp. 116-17.

16. Reuben Canoy, *The Counterfeit Revolution: Martial Law in the Philippines* (Manila: Reuben Canoy, 1980), p. 243.

17. Leon Maria Guerrero, *Why Martial Law?* (Manila: Today Began Yesterday, 1975), pp. 2, 54.

18. Carlos P. Romulo, foreword to Ferdinand E. Marcos, *The Democratic Revolution in the Philippines* (Manila: Ferdinand E. Marcos, 1977), pp. 16-17.

19. Frank H. Golay, *The Philippines: Public Policy and National Economic Development* (Ithaca: Cornell University Press, 1961), p. 415.

20. Geminiano de Ocampo, "Fundamental Questions on Our Socioeconomic Crisis," in *Ways and Means of Solving the Urgent Problems of Filipino Society*, pp. 10, 13.

21. Castillo, "Mirror, Mirror on the Wall," p. 38.

22. "You Don't Have to Be Maoist to Make Revolution," *Solidarity* 5, no. 3 (March 1970), pp. 1-2; and "The Revolutionary as Modernizer," *Solidarity* 5, no. 5 (May 1970), p. 2.

23. "America and the Philippine Revolution," *Solidarity* 4, no. 6 (June 1969), pp. 1-2.

24. See "Programme for a People's Democratic Revolution," appendix B, in Eduardo Lachica, *Huk: Philippine Agrarian Society in Revolt* (Manila: Solidaridad, 1971), pp. 284-85, 300.

25. See David R. Sturtevant, *Popular Uprisings in the Philippines, 1840-1940* (Ithaca: Cornell University Press, 1976).

26. See the discussion in Carl H. Landé, "Authoritarian Rule in the Philippines: Some Critical Views," *Pacific Affairs* 55 (Spring 1982), pp. 84-85.

27. See A. Guerrero, *Philippine Society and Revolution*, p. 185.

28. See Primitivo Mijares, *The Conjugal Dictatorship of Ferdinand and Imelda Marcos I* (San Francisco: Union Square Press, 1976), pp. 463-80.

29. Elias T. Ramos, *Philippine Labor Movement in Transition* (Quezon City: New Day, 1976), p. 92, table 11.

30. General Order No. 1, in F. D. Pinpin (ed.), *Proclamation No. 1081 and Related Documents* (Manila: Cacho Hermanos, 1972), pp. 17-18.

31. See the comments of Rep. Lester Wolff and Father Joseph O'Hare in House Subcommittee on International Organizations, *Human Rights in South Korea and the Philippines*, pp. 122-23, 138.

32. This was one of the principal theses of J. A. Hosbon's *Imperialism*, written in 1902.

33. See William Howard Taft, *The Philippine Islands* (Chautauqua, N.Y.: Chautauqua Society, 1904); and Julius W. Pratt, *Expansionists of 1898* (Gloucester, Mass.: Peter Smith, 1959).

34. See William J. Pomeroy, *American Neo-Colonialism: Its Emergence in the Philippines and Asia* (New York: International Publishers, 1970), pp. 164, 167.

35. A. V. H. Hartendorp, *History of Industry and Trade of the Philippines* (Manila: American Chamber of Commerce, 1958), pp. 54, 730.

36. See Golay, *The Philippines*, p. 134, n. 23.

37. W. Scott Thompson, *Unequal Partners: Philippine and Thai Relations With the United States, 1965-75* (Lexington, Mass.: Lexington Books, n.d.), p. 12.

38. Pomeroy, *American Neo-Colonialism*, p. 222.

39. David J. Steinberg, *The Philippines: A Singular and a Plural Place* (Boulder, Colo.: Westview Press, 1982), p. 119.

40. Thompson, *Unequal Partners*, p. 15, tables 1-3; and Stephen R. Shalom, *The United States and the Philippines: A Study of Neocolonialism* (Philadelphia: Institute for the Study of Human Issues, 1981), p. 179.

41. Tan Su-cheng, *The Expansion of Soviet Seapower and the Security of Asia* (Taipei: Asia and the World Forum, 1977).

42. See Jusuf Wanandi, "Security in the Asia-Pacific Region: An Indonesian Observation," *Asian Survey* 18, no. 12 (December 1978), p. 1214, and "Conflict and Cooperation in the Asia-Pacific Region: An Indonesian Perspective, *Asian Survey* 22, no. 6 (June 1982); and Lee Boon Hiok, "Constraints on Singapore's Foreign Policy," *Asian Survey* 22, no. 6 (June 1982), p. 528.

43. Martin H. Katchen, "The Spratly Islands and the Law of the Sea: 'Dangerous Ground' for Asian Peace," *Asian Survey* 17, no. 12 (December 1977), pp. 1167-81.

44. See figure 1 in Selig S. Harrison, *China, Oil and Asia: Conflict Ahead?* (New York: Columbia University Press, 1977), opposite p. 46.

45. Nayan Chanda, "Vietnam Opts for Broad Approach," *Far Eastern Economic Review*, 25 February 1977, p. 18.

46. Estrella D. Solidum, "Philippine Perceptions of Crucial Issues Affecting Southeast Asia," *Asian Survey* 22, no. 6 (June 1982), pp. 542-43.

47. Katchen, "Spratly Islands," p. 1171.

48. George McT. Kahin, "Statement Before the House Appropriations Subcommittee on Foreign Operations," in *On the Withdrawal of U.S. Bases from the Philippines* (Washington, D.C.: Campaign to Remove U.S. Bases from the Philippines, 1979), p. 12.

49. Lucien Pye, *Redefining American Policy in Southeast Asia* (Washington, D.C.: American Enterprise Institute, 1982), p. 32.

50. Alvin J. Cottrell and Robert J. Hanks, *The Military Utility of the U.S. Facilities in the Philippines* (Washington, D.C.: Georgetown University Press, 1980).

51. See the comments of Richard Holbrooke, *U.S. Relations with the Philippines and Asia* (Manila: United States Policy Statement Series, 1981).

52. See *Review of Philippines–United States Economic Relations, 1975-1981* (Manila: National Economic and Development Authority, 3 June 1982); and A. James Gregor (ed.), *The U.S. and the Philippines: A Challenge to a Special Relationship* (Washington, D.C.: Heritage Foundation, 1983), p. 1.

53. Edberto M. Villegas, *Studies in Philippine Political Economy* (Manila: Silangan, 1983), p. 4.

54. *Review of Philippines–United States Economic Relations, 1975-1981*, pp. 3-4; and *Philippine-American Relations* (Manila: National Media Production Center, August 1982), pp. 6-7.

55. Villegas, *Studies in Philippine Political Economy*, p. 181, table 5; and "What Keeps the Debt Service Ratio Below 20%," *Euromoney*, April 1982, p. 24.

Chapter Two

1. *Philippines Free Press*, 25 December 1971, p. 5.
2. Primitivo Mijares, *The Conjugal Dictatorship of Ferdinand and Imelda Marcos I* (San Francisco: Union Square Press, 1976), p. 28; but see also p. 86.
3. Ferdinand E. Marcos, *The Democratic Revolution in the Philippines* (Manila: Ferdinand E. Marcos, 1977), p. 259; see also chap. 11.
4. *European Convention for the Protection of Human Rights and Fundamental Freedoms*, article 15 (1).
5. See *Martial Law on Taiwan and United States Foreign Policy Interests* (Washington, D.C.: Government Printing Office, 1982), pp. 11-13.
6. *Report of an Amnesty International Mission to the Republic of the Philippines, 22 November–5 December 1975* (London: Amnesty International, 1976), p. 6.
7. *Report of an Amnesty International Mission to the Republic of the Philippines, 11-28 November 1981* (London: Amnesty International, 1982), p. 4.
8. See U.S. Congress, House, Committee on International Relations, Subcommittee on International Organizations, *Human Rights in the Philippines: Recent Developments*, 1978, pp. 3, 6, 22, and U.S. Congress, House, Committee on Foreign Affairs, Subcommittees on Asian and Pacific Affairs and on Human Rights and International Organizations, *U.S. Policy Toward the Philippines*, 1982, pp. 22-26, 61.
9. See appendix "b" in Ferdinand E. Marcos, *Five Years of the New Society* (Manila: Marcos Foundation, 1978), pp. 205-21.
10. *Report of an Amnesty International Mission . . . 22 November–5 December 1975*, p. 13.
11. *Report of an Amnesty International Mission . . . 11-28 November 1981*, p. 11.
12. Richard P. Claude, "Human Rights in the Philippines and U.S. Responsibility," in Peter Brown and Douglas McLean (eds.), *Human Rights and U.S. Foreign Policy* (Lexington, Mass.: Lexington Books, 1979), p. 232.
13. See *Report of an Amnesty International Mission . . . 11-28 November 1981*, p. 85n.
14. As reported in Reuben R. Canoy, *The Counterfeit Revolution: Martial Law in the Philippines* (Manila: Reuben R. Canoy, 1980), p. 67.
15. *Report of an Amnesty International Mission . . . 11-28 November 1981*, p. 17.
16. U.S. Congress, House, Committee on International Relations, *Human Rights and U.S. Policy: Argentina, Haiti, Indonesia, Iran, Peru, and the Philippines*, 1976, p. 29.
17. See *Report of an Amnesty International Mission . . . 11-28 November 1981*, p. 18.
18. Ibid., pp. 84-85.
19. David Joel Steinberg, *The Philippines: A Singular and a Plural Place* (Boulder, Colo.: Westview Press, 1982), p. 121. See also the discussion in

Robert Pringle, *Indonesia and the Philippines: American Interests in Island Southeast Asia* (New York: Columbia University Press, 1980), chap. 4.

20. For expositions of the Philippine Constitution of 1973 as amended, see Vicente Albano Pacis, *The New Constitution and Philippine Parliamentary Government*, rev. ed. (Manila: JMC Press, 1979); Aguedo F. Agbayani, *Handbook on the New Constitution* (Manila: National Book Store, 1980); and José M. Aruego, *Philippine Government in Action and the Philippine Constitution* (Manila: University Book Supply, 1979).

21. For a clear statement of the relation between revolutionary conditions and economic dislocation in Mindanao, see *Eastern Mindanao and an Ominous Future* (Cebu: American Consulate, 13 April 1982, confidential).

22. Ferdinand E. Marcos, *Notes on the New Society of the Philippines, I* (Manila: Marcos Foundation, 1973), p. 127.

23. Claude A. Buss, *The United States and the Philippines: Background to Policy* (Stanford, Calif.: Hoover Institution, 1977), p. 23.

24. Ferdinand E. Marcos, *Marcos Notes for the Cancun Conference 1981* (Manila: Marcos Foundation, 1981), p. 122, and *Progress and Martial Law* (Manila: Ferdinand E. Marcos, 1981), pp. 39-45.

25. Leslie E. Bauzon, *Philippine Agrarian Reform 1880-1965* (Singapore: Institute of Southeast Asian Studies, 1975), p. 19.

26. Rene Ofreneo, *Capitalism in Philippine Agriculture* (Manila: Foundation for Nationalist Studies, 1980), p. 51. See also Ferdinand E. Marcos, *The New Philippine Republic: A Third World Approach to Democracy* (Manila: Marcos Foundation, 1982), p. 126.

27. See Claro M. Recto, "Economic Nationalism," in Teodoro A. Agoncillo (ed.), *Filipino Nationalism 1872-1970* (Quezon City: Garcia, 1974), p. 349.

28. See, e.g., Cristan Alcantara, *Nationalism for Prosperity and Dignity* (Angeles City: Angeles Institute of Technology, n.d.), p. 10.

29. See Frank H. Golay, "The Philippines," in Frank H. Golay, Ralph Anspach, M. Ruth Pfanner, and Eliezer B. Ayal, *Underdevelopment and Economic Nationalism in Southeast Asia* (Ithaca: Cornell University Press, 1969).

30. See Frank H. Golay, foreword to Vincente B. Valdepeñas, Jr., *The Protection and Development of Philippine Manufacturing* (Manila: Ateneo de Manila University, 1970).

31. Marcos, *New Philippine Republic*, p. 92; see also Georges A. Fauriol (ed.), *Population and Politics in the Philippines* (Washington, D.C.: Georgetown University Press, 1979).

32. Gustav Ranis (ed.), *Sharing in Development: A Programme of Employment, Equity, and Growth for the Philippines* (Geneva: International Labor Organization, 1974), p. 10.

33. Richard Hooley, *An Assessment of the Macroeconomic Policy Framework for Employment Generation in the Philippines* (Manila: USAID/Philippines, April 1981), table A-6.

34. See the discussion in Ferdinand E. Marcos, *Today's Revolution: Democracy* (Manila: Ferdinand E. Marcos, 1971), chap. 4.

35. Canoy, *Counterfeit Revolution*, pp. 78-79.

36. Steinberg, *The Philippines*, pp. 113-14.

37. See Marcos, *Notes on the New Society, I*, p. 146, and *Five Years of the New Society*, p. 98.

38. Gerald C. Hickey and John L. Wilkinson, *Agrarian Reform in the Philippines* (Santa Monica: Rand, 1977), p. 2; see also Ofreneo, *Capitalism in Philippine Agriculture*, p. 65, table 4.

39. See Marcos, *Progress and Martial Law*, p. 84, *Notes for the Cancun Conference*, pp. 128-29, and *Notes on the New Society, I*, p. 147.

40. Marcos, *Notes on the New Society, I*, p. 150.

41. Ibid., pp. 165-66.

42. Ferdinand E. Marcos, *Notes on the New Society of the Philippines, II* (Manila: Ferdinand E. Marcos, 1976), p. 146.

43. See *Business Week* (Manila), 4 November 1972, p. 42.

44. See *1980 Philippine Statistical Yearbook* (Manila: National Economic Development Authority, 1980); and Marcos, *Progress and Martial Law*, p. 57.

45. See *Social Development* (Manila: National Media Production Center, 1982); *Major Economic and Social Accomplishments of the Philippines* (Manila: President's Center for Special Studies, 1982); and Marcos, *Progress and Martial Law*, pp. 97-101.

46. *Economic and Social Indicators* (Manila: National Media Production Center, 1982), p. 2.

47. *World Development Report 1981* (New York: Oxford University Press, 1981), p. 76.

48. Richard W. Gable and J. Fred Springer, "Administrative Implications of Development Policy: A Comparative Analysis of Agricultural Programs in Asia," *Economic Development and Cultural Change* 27 (July 1979), pp. 690-91; Marcos, *New Philippine Republic*, pp. 103-10.

49. The data on land reform are particularly contested. Most of the materials are extremely partisan. The figures used here are those of both the government and a "nationalist" critic, Rene E. Ofreneo, op. cit. Some critics seem to accept the data provided by the most exacerbated critics of the left; see Linda K. Richter, *Land Reform and Tourism Development: Policy Making in the Philippines* (Cambridge, Mass.: Schenkman Publishers, 1982), chap. 3.

50. Marcos, *Today's Revolution*, pp. 78-79.

51. Ibid., p. 115.

52. Marcos, *Five Years of the New Society*, pp. 7, 9, 34.

53. Ibid., p. 94.

54. See Rigoberto D. Tiglao, "Wages," *Business Day*, 25 February 1983; and Hooley, *Assessment of the Macroeconomic Policy Framework*, tables A-1 and A-3.

55. See the discussion in Ramon H. Myers, "The Philippine Economy: Current Problems and Future Prospects," in A. James Gregor (ed.), *The U.S. and the Philippines: A Challenge to a Special Relationship* (Washington, D.C.: Heritage Foundation, 1983), pp. 43-44.

56. Walden Bello, David Kinley, and Elaine Elinson, *Development Debacle: The World Bank in the Philippines* (San Francisco: Institute for Food and Development Policy, 1982), p. 81.

57. Marcos, *Notes on the New Society, II*, p. 111.

58. See the discussion in Richter, *Land Reform and Tourism Development*, chaps. 3 and 4.

59. See the devastating discussion in Grace Goodell, "Is There Life After Land Reform?," *Policy Review* 24 (Spring 1983), pp. 121-48.

60. Pringle, *Indonesia and the Philippines*, p. 57.

Chapter Three

1. "FM Sets Deadline on Revamp," *Times Journal* (Manila), 5 August 1983, p. 1.

2. Larry A. Niksch, "Internal Conditions in the Philippines: An Update," *Pacific Basin Economic Review* 3, no. 1 (Spring 1983), pp. 79-89.

3. Paul Quinn-Judge, "Communist Rebels in Southern Philippines," *Christian Science Monitor*, 17 May 1983, pp. 12-13.

4. "Russian Arms Shipped for Filipino Rebels," *China Post* (Taipei), 27 May 1982, p. 4.

5. "147 Officials Killed as Reds Threaten to Disrupt Elections," ibid., 27 April 1982, p. 4.

6. See the account in Marcelo B. Soriano, *The Quiet Revolt of the Philippine Press* (Manila: A WE Forum Publication, 1981).

7. "UNIDO Agrees to Join Polls," *Bulletin Today* (Manila), 12 July 1983, p. 1; "President, VP Inclusion in Polls Urged," ibid., 21 July 1983, p. 28; "Keen Fight in 5 Areas Seen in Batasan Polls," *Philippine Daily Express*, 2 July 1983, p. 2; "UNIDO Accepts Challenge," ibid., 12 July 1983, p. 1.

8. "Government-Opposition Dialogue Urged," *Philippine Daily Express*, 14 August 1983, p. 1.

9. Rodney Tasker, "Will He or Won't He?," *Far Eastern Economic Review*, 4 August 1983, pp. 28-30.

10. Spencer A. Sherman, "A Conversation With Benigno Aquino," *Mother Jones* 9, no. 1 (January 1984), pp. 14, 22.

11. Ibid., p. 15.

12. See Tasker, "Will He or Won't He?," p. 32.

13. *Social Weather Station Survey of Metro Manila, July 1982: Final Report* (Manila: Development Academy of the Philippines, 21 October 1982, strictly confidential).

14. *Public Opinion Poll of Luzon 1983* (Manila: Development Academy of the Philippines, 5 October 1983, confidential) and *Public Opinion Poll of Visayas and Mindanao 1983* (Manila: Development Academy of the Philippines, June 1983).

15. See Guy Sacerdoti, "The Economy May Be Marcos' Nemesis," *Far Eastern Economic Review*, 4 August 1973, p. 30.

16. Bernardo M. Villegas and J. A. Buencamino, "Short-term Prospects in East Asia, 1983-1984," *General Economic Balances* (Manila: Council on Research and Communications, November 1983), p. 1; and "How Did the Economy Fare?," *Business Day*, 4 March 1983.

17. *Quarterly Economic Review of Philippines* (London: Economist Intelligence Unit, 1983).

18. *Foreign Economic Trends and the Implications for the United States: Philippines* (Manila: U.S. Department of Commerce, December 1982).

19. See Jaime C. Laya, "A Crisis of Confidence," in *Philippines Yearbook 1982-1983* (Manila: Fookien Times, 1982), pp. 172-79.

20. Razon Tumbocon-Haresco, "Perspectives on the Tariff Reform Program," ibid., pp. 140-41.

21. Ruben B. Ancheta, "1981: A Fruitful Year for the BIR," ibid., p. 128.

22. "RP Economy: Off to a Good Start," *Manila Evening Post*, 24 April 1983, p. 6; "Laya Reports Moderate Economic Recovery," *Bulletin Today*, 3

August 1983, p. 1; and "RP Economy to Grow 4% in '83, NEDA Head Says," *Business Day*, 4 August 1983, p. 16.

23. "FM Sees Economic Revival," *Business Day*, 2 August 1983, p. 2.

24. "Current Account Balance Worsens," ibid., 3 August 1983, p. 20; and "BOP Gap Substantial But Still Manageable," *Bulletin Today*, 3 August 1983, p. 12.

25. "RP Debt Burden to Stay Manageable Throughout 1980s, World Bank Says," *Business Day*, 31 May 1983, p. 1.

26. "Gov't Can Cover Commitments in Next 5 Years, Says FM," ibid., 3 August 1983, p. 20.

27. "Banks Getting Cautious About Lending to Asia," *Asian Wall Street Journal Weekly*, 11 July 1983, pp. 1, 21.

28. "Donors Pledge Aid of $1.2 Billion for Philippines in '84," ibid., p. 13.

29. "Adios, Ninoy," *Asiaweek* 9, no. 36 (9 September 1983), p. 9.

30. "FM Rules Out Military Junta," *Times Journal*, 8 September 1983, p. 1; "RP Gov't Stable, Marcos Assures," *Bulletin Today*, 7 September 1983, p. 1; "Gov't Stable, Marcos Says," *Times Journal*, 7 September 1983, p. 1.

31. "Kissinger: No Hasty Judgment," *Times Journal*, 2 September 1983, p. 1; "Kissinger Warns U.S. on Hasty Judgment," ibid., 1 September 1983, p. 1.

32. See, e.g., Gerald N. Hill and Kathleen Thompson Hill, *The True Story and Analysis of the Aquino Assassination* (Sonoma, Calif.: Hilltop Publications, 1983).

33. See Noel D. De Luna, "Country-Risk Analysis Sees Political Scene Positively," *Business Day*, 7 December 1983, p. 2.

34. Tasker, "Will He or Won't He?," p. 28.

35. Amado Guerrero, *Philippine Society and Revolution* (Oakland, Calif.: International Association of Filipino Patriots, 1979), pp. 59-60, n. 7; see the discussion in José Maria Sison, *National Democracy and Socialism* (Manfield Depot, Conn.: Philippines Research Center, n.d.) and *Programme for a People's Democratic Revolution in the Philippines* (Ratified by the Congress of Re-establishment of the Communist Party) (Boston: Philippines Liberation Press, 1975), pp. 6, 8.

36. Sherman, "Conversation With Benigno Aquino," pp. 15-16.

37. Ibid., pp. 14-15.

38. As quoted in Reuben R. Canoy, *The Counterfeit Revolution: Martial Law in the Philippines* (Manila: Reuben R. Canoy, 1980), p. 63.

39. Sheila Ocampo-Kalfors, "The President Is on Top in the Game of Cat and Mouse," *Far Eastern Economic Review*, 4 August 1983, pp. 31-32.

40. *The Philippine Letter* (Los Angeles), 129 (1 September 1983), p. 1.

41. Ian Buruma, "Man and Messiah—Aquino in the Mythical Martyr Mould," *Far Eastern Economic Review*, 15 December 1983, p. 53.

42. See Canoy, *Counterfeit Revolution*, p. 58.

43. See the discussion in Eduardo Lachica, *Huk: Philippine Agrarian Society in Revolt* (Manila: Solidaridad, 1971), pp. 210-15, 236-41.

44. See, e.g., Jack Anderson, "Aquino Murder Evidence," *San Francisco Chronicle*, 9 January 1984, p. 35.

45. *The Asia Letter: Special Report* (Hong Kong), Supplement to Issue No. 998, p. 1.

46. "Makati Business Club Plenary/Economic-Financial Committee: Prelimi-

nary Meeting Report," mimeographed (Manila: Makati Business Club, 24 November 1984), p. 1.

47. José Galang, "Domestic Woes Widen the Government/Business Rift," *Far Eastern Economic Review*, 15 December 1983, pp. 70-72.

48. "Cash Crisis Deepens," *Manila Evening Post*, 8 December 1983, p. 10.

49. José Romero, Jr., "How Did It Happen? What Can Be Done?," *Far Eastern Economic Review*, 15 December 1983, pp. 76-77.

50. José Galang and Guy Sacerdoti, "Optimism Gives Way to Gloom in the Countryside," ibid., p. 74.

51. *Polls 1984* (Manila: President's Center for Special Studies, 1 February 1984).

52. Compare the data from the survey of 1982, *Social Weather Station Survey of Metro Manila, July 1982*.

53. See Philip Southerland, "Crisis in Manila—A Proposal," *Washington Times*, 13 October 1983, p. C-1.

Chapter Four

1. Raul S. Manglapus, *Land of Bondage, Land of the Free* (Manila: Solidaridad, 1967), pp. 205-6.

2. Renato Constantino, *The Miseducation of the Filipino* (Manila: Renato Constantino, n.d.), p. 4; see also Renato Constantino and Letizia R. Constantino, *The Philippines: The Continuing Past* (Manila: Foundation for Nationalist Studies, 1978), p. 2.

3. Renato Constantino, *The Philippines: A Past Revisited* (Manila: Renato Constantino, 1975), p. 319.

4. Renato Constantino, *The Nationalist Alternative* (Quezon City: Foundation for Nationalist Studies, 1979), p. 2.

5. Amado Guerrero, *Philippine Society and Revolution* (Oakland, Calif.: International Association of Filipino Patriots, 1979), pp. 115, 123.

6. Primitivo Mijares, *The Conjugal Dictatorship of Ferdinand and Imelda Marcos I* (San Francisco: Union Square Press, 1976), p. 6.

7. See the discussion in Robert Pringle, *Indonesia and the Philippines: American Interests in Island Southeast Asia* (New York: Columbia University Press, 1980), pp. 57, 234.

8. Walden Bello and Elaine Elinson, *Elite Democracy or Authoritarian Rule?* (San Francisco: Philippine Solidarity Network, 1981), preface and pp. 4-5; *Philippines: Repression and Resistance* (London: KSP, 1980), p. 10.

9. See Walden Bello, David Kinley, and Elaine Elinson, *Development Debacle: The World Bank in the Philippines* (San Francisco: Institute for Food and Development Policy, 1982).

10. See Richard Falk, foreword, ibid., p. xii.

11. Walden Bello et al., "The Logistics of Repression," *Philippines Information Bulletin* 3, nos. 2-3 (July 1975), p. 20.

12. Reuben R. Canoy, *The Counterfeit Revolution: Martial Law in the Philippines* (Manila: Reuben R. Canoy, 1980), chap. 5.

13. See the discussion in Quijano de Manila, *Reportage on Politics* (Manila: National Book Store, 1981), chap. 4.

14. Ibid., chap. 14.

15. Manglapus, *Land of Bondage*, pp. 190, 193-95.
16. Ibid., pp. 196-99.
17. As quoted in Canoy, *Counterfeit Revolution*, p. 39.
18. Raul S. Manglapus, *Philippines: The Silenced Democracy* (Maryknoll, N.Y.: Orbis Books, 1976), p. 10.
19. Ibid., pp. 26-27.
20. Manglapus, *Land of Bondage*, p. 215.
21. Helder Camara, *Revolution Through Peace* (New York: Harper and Row, 1972), pp. 9-10, 35-36, 52, 57, 84, 87, 96, 98.
22. Raul Prebisch, *Towards a New Trade Policy for Development* (New York: United Nations, 1964).
23. See the specific references to the Prebisch Report in Camara, *Revolution Through Peace*, pp. 38, 86, 91, 98-99.
24. See for example, P. T. Bauer, *Dissent on Development* (Cambridge, Mass.: Harvard University Press, 1976), chap. 6 and the cited literature.
25. Marjorie Niehaus, *Philippine Internal Conditions: Issues for U.S. Policy* (Washington, D.C.: Congressional Research Service, 15 September 1982), p. 10.
26. Central Committee of the April 6th Liberation Movement, *The Philippine Struggle* (Manila: Filipino Information Service, 1981).
27. See the comments of William Ascher, "Determinants of Economic Policy Directions in the Philippines," mimeographed (Baltimore: The Johns Hopkins University, August 1981), p. 24.
28. *The State of the Nation After Three Years of Martial Law, September 21, 1975* (San Francisco: Civil Liberties Union of the Philippines, 1976), pp. 13, 21, 24-25.
29. Manila: Silangan, 1983.
30. See, e.g., Benjamin J. Cohen, *The Question of Imperialism: The Political Economy of Dominance and Dependence* (New York: Basic Books, 1973); Wolfgang J. Mommsen, *Theories of Imperialism* (Chicago: University of Chicago Press, 1980); and Tony Smith, "The Underdevelopment of Development Literature: The Case of Dependency Theory," *World Politics* 31, no. 2 (January 1979), pp. 247-88.
31. See, for example, A. James Gregor, Maria Hsia Chang, and Andrew B. Zimmerman, *Ideology and Development: Sun Yat-sen and the Economic History of Taiwan* (Berkeley, Calif.: Center for Chinese Studies, 1981); Edward S. Mason, Mahn Je Kim, Dwight H. Perkins, Kwang Suk Kim, and David C. Cole, *The Economic and Social Modernization of the Republic of Korea* (Cambridge, Mass.: Harvard University Press, 1980); and Hakan Hedberg, *The New Challenge: South Korea!* (Seoul: Chongno Book Center, 1978).
32. See the interview with José Diokno, "On the Struggle for Democracy," *World Policy Journal* 1, no. 2 (Winter 1984), pp. 432-45 and quotation on p. 439.
33. "José Diokno: Unbending, Crusading," *Business Day*, 27 February 1984, p. 4; and William Branigin, "As Talks Approach, Philippine Opposition to the U.S. Bases Grows," *International Herald Tribune*, 5 May 1983.
34. Alejandro Lichauco, *The Lichauco Paper: Imperialism in the Philippines* (New York: Monthly Review, 1973), pp. 3-5, 18-19, 109-10.
35. Lichauco, "The National Situation: A Nationalist Interpretation," A Paper Submitted to the 14th National Convention of the National Secretariat for Social Action, Justice and Peace, mimeographed, 29 June 1982.

36. See the discussion in Richard Falk, "Views From Manila and Washington," *World Policy Journal* 1, no. 2 (Winter 1984), pp. 419-32.

37. See the qualifications made by Agapito "Butz" Aquino, brother of the slain "Ninoy," in "Butz Aquino: 1987 Is Still a Long Way Off," *Business Day*, 27 February 1984, p. 3.

38. Letizia R. Constantino, *The Aftermath of the Aquino Assassination—A Nationalist Appraisal* (Manila: Teacher Assistance Project, 1983), pp. 4, 6.

39. See "Church Bells Toll Possibly Most Potent Opposition to Marcos Government," *Seattle Times/Seattle Post-Intelligencer*, 13 November 1983, p. A-7; and Robert Youngblood, "Church Opposition to Martial Law in the Philippines," *Asian Survey* 18, no. 5 (May 1978), pp. 505-20.

40. See José Concepción, Jr., "Towards a Meaningful Church-State Dialogue," *Bulletin Today*, 19-23 March 1983.

41. For the Vatican's position on violence and revolution, see Quentin L. Quade (ed.), *The Pope and Revolution: John Paul II Confronts Liberation Theology* (Washington, D.C.: Ethics and Public Policy Center, 1982).

42. For major expressions of this kind of "liberation theology," see Gustavo Gutiérrez, *A Theology of Liberation: History, Politics and Salvation* (Maryknoll, N.Y.: Orbis Books, 1973); and two works by José Miranda, *Marx and the Bible: A Critique of the Philosophy of Oppression* (Orbis, 1974) and *Communism and the Bible* (Orbis, 1982).

43. Gutiérrez, *Theology of Liberation*, p. 109.

44. See Manolo B. Jara, "Radicals Widen Church-State Rift," *Philippines Daily Express*, 18 December 1982, p. 3; and Corazon Fiel, "Gun or Cross," ibid., 11 November 1982.

45. See the discussion in Brian H. Smith, *The Church and Politics in Chile* (Princeton: Princeton University Press, 1982), pp. 232-34.

46. See the discussion in John Eagleson and Philip Sharper (eds.), *Puebla and Beyond: Documentation and Commentary* (Maryknoll, N.Y.: Orbis Books, 1979), pp. 59-60.

47. See the discussion in A. James Gregor, "On Liberation Theology," *Cogito* 1, no. 2 (June 1983), pp. 66-87.

48. See *Executive Summary of the Makati Business Club Plenary Session: Socio-Political Core Group* (Manila: Makati Business Club, 8 December 1983).

49. See four publications by the Makati Business Club, Manila: *Plenary Session: Socio-Political Committee: Preliminary Meeting Report*, 26 November 1983; *Economic-Financial Committee: Preliminary Meeting Report*, 24 November 1983; *New Socio-Political Order: Participatory Planning*, 23 November 1983; and *Rural Transformation*, n.d.

50. *Philippine Growth and Development: Issues and Perceptions 1982* (Manila: Makati Business Club, 28 August 1982), p. 18.

51. Ibid., pp. 4-5.

52. Larry A. Niksch, "The Philippines: Uncertainties After the Aquino Assassination," *Pacific Defense Reporter*, February 1984, pp. 21-30.

53. Larry A. Niksch, "Political Trends in East Asia," *Pacific Basin Economic Review*, Winter 1984, pp. 35-39.

54. "The Real 'Thrilla in Manila,' " *Washington Post*, 17 May 1984, p. A-22.

55. See "Marcos Party Is Gaining as Rural Ballots Come In," ibid., 16 May 1984, pp. A-1 and A-18; and "A Message for Marcos," *Time*, 28 May 1984, p. 52.

56. "Philippine Surprise: Elections So Far So Clean, But Opposition Wary as Tallies Roll In," *Christian Science Monitor*, 18 May 1984, p. 1.

57. "Philippine Elections Put Marcos on Notice," *U.S. News and World Report*, 28 May 1984, p. 32.

58. Ramon H. Myers, "The Roots of the Philippines' Economic Troubles," *Asian Studies Center Backgrounder* no. 14 (Washington, D.C.: Heritage Foundation, 31 May 1984).

59. See the insightful discussion in J. P. Estanislao, "Our Flaws Are Showing," *Special Report, Center for Research and Communication* (Manila), December 1983, pp. 1-6.

60. Larry A. Niksch, "Bases of Understanding," *Foreign Service Journal*, November 1983, pp. 17-21. See the discussion in *The Philippines: A Country in Crisis* (New York: Lawyers Committee for International Human Rights, December 1983), in which it is made clear that the most serious human-rights infractions occur in counterinsurgency combat areas.

61. Niksch, "The Philippines," p. 28.

62. "José Diokno: Unbending, Crusading," p. 5.

63. "Butz Aquino: 1987 Is Still a Long Way Off," p. 4.

64. "UNIDO Suggests 'Alternative,' " *Bulletin Today*, 22 May 1983, p. 1.

65. See the discussion in "The Marcos Years: He Broke Precedents, Set Some of His Own," *Business Day*, 27 February 1984, p. 38.

Index of Names

Adaza, Homobono, 50
Agatep, Zacarias, 79
Agrava Commission, 57
Aguinaldo, Emilio, 1
Alamario, Cirilo, Jr., 80
Allende, Salvador, 80
American Civil Liberties Union of Northern California, 69
Amnesty International, 29-30, 33
April 6th Liberation Movement, 73, 80
Aquino, Agapito, 88-89
Aquino, Benigno, Jr., 50-51, 54-61, 64-65, 69, 81-83, 88
Arabs, 29
ASEAN (Association of Southeast Asian Nations), 18, 21, 23
Asia, 1, 3-4, 6, 13, 16, 18-19, 24, 33, 53, 61, 63, 70-71
Asia Letter (Hong Kong), 61
Asian Development Bank, 86
Association of Major Religious Superiors (AMRS), 79
Association of Southeast Asian Nations, *see* ASEAN

Backfire (bombers), 18
Balweg, Conrado, 79
Bangladesh, 53
Batasan, 83-84
Beijing, 18-20
Blair, William McCormick, Jr., 22
Bohlen, Charles, 21
Brunei, 19
Bryan, William Jennings, 2
Bureau of Agricultural Economics, 43
Burma, 2
Business Day (Manila), 42-43
Business Environment Risk Information, 56

Cagayan, 51
Camara, Dom Helder Pessoa, 71-73
Cambodia, 88
Cam Ranh Bay, 17
Carnegie, Andrew, 2
Catholic Bishops Conference, 79
Catholic Church, Philippine, 79
Catholic Liberation Army, 73, 80
Central Bank, 52, 62
Central Intelligence Agency, 66, 70
Charismatic Movement of the Philippines, 33
Chile, 80
China Airlines, 54
China, People's Republic of, 1-2, 12-13, 15-21, 23, 33, 71, 92
Christian Democrats, 73
Christianity, 71-74, 80
Christianos por el socialismo, 80
Christian Social Democracy, 71
Christian Socialists, 89
Christian Social Movement, 70, 73
Civil Liberties Union of the Philippines, 75
Clark Airfield, 16, 18, 22
Claude, Richard P., 30
Cleveland, Grover, 2
Coalition Against the Marcos Dictatorship, 69
Commander Dante, 11
Committee on Elections, 48
Committee on International Relations (U.S. House), 32
Communism, 9-10, 16, 27, 58-59, 66, 70-73, 82, 87-89, 92
Communist Party of the Philippines, 9, 26, 28, 58, 69, 74
Concepción, José, 83-84
Congress Task Force, 69
Congress, Philippine, 36
Congress, U.S., 4, 12, 32, 47, 55, 67
Constantino, Renato, 78
Constitutional Convention of 1971, Philippine, 76
Constitution, Philippine, 11
Constitution, U.S., 70
Cuba, 72, 88

Declaration of Independence, 70
Department of Agrarian Reform, 46
Development Academy of the Philippines, 50, 82
Development Report, 41
Dewey Dee, 52
Dewey, George, 1-2
Diokno, José, 59, 70, 74-76, 88-89

East Asia, 15-17, 23, 25, 74
Economic Support Funds (ESF), 86
Elinson, Elaine, 69
Enrile, Juan Ponce, 30, 49
European Convention for the Protection of Human Rights and Fundamental Freedoms, 27
European Convention on Civil and Political Rights, 27
European Court of Human Rights, 27-28
Export-Import Bank, 86

Falk, Richard, 69
4Ks, 33
Fourth Philippine Republic, 48, 61
France, 2
Free Press, 10
Friends of the Filipino People, 68

Galilee, 60
Gandhi, Mahatma, 60
Germany, 2-3, 15
Grand Hotel, 54
Great Britain, 2, 29
Great Depression, 16
Guam, 21
Guerrero, Leon Maria, 8
Gulf of Tonkin, 19

Hanoi, 19
Hawaii, 21
Hitler, Adolf, 15
Hong Kong, 76
Hukbalahap (revolutionaries), 17

Ilagas, 33
India, 4
Indochina, 21
Indonesia, 18-19
International Association of Filipino Patriots, 68-69
International Commission of Jurists, 33
International Committee of the Red Cross, 33
International Covenant on Civil and Political Rights, 29
International Monetary Fund, 24, 67, 86
Iran, 65, 80
Israel, 29
Itu Aba, 20

Japan, 3, 15, 21, 46, 54, 91
Japanese-Americans, 29
Japanese Imperial Navy, 15

Jesus Christ, 60
John Paul II, Pope, 80
Joint U.S. Military Advisory Group, 66
Jones Act, 15

Kalayaan Island Group, 19
Kampuchea, 33
Kangleon, Edgardo, 79
Kara (combat vessels), 18
Kennedy, John F., 57
Kilusang Bagong Lipunan (KBL), 34, 50-51, 64, 77, 84, 90
King, Martin Luther, 59
Kinley, David, 69
Kissinger, Henry, 55
Kongreso ng mga Mamamayang Pilipino (KOMPIL), 89
Koran, 71
Korea, Republic of, 76
Krivak (combat vessels), 18

Laos, 33, 88
Laurel-Langley trade agreement, 40
Laurel, Salvador, 70, 74, 76, 89
Law of the Sea, 19-20
Liberal party, 26, 59, 77
Lichauco, Alejandro, 76-77
Light-A-Fire, 73
Los Angeles, 54
Los Angeles Times, 69
Lost Command, 33
Luzon, 10, 19, 43, 49, 51

Mabini, 49
Macclesfield Bank, 19
Madrid, 2
Mahan, Alfred Thayer, 2
Makati Business Club, 68, 78, 81, 83
Malaysia, 18-19
Manglapus, Raul, 66, 70-74
Manila Hilton, 11
Manila International Airport, 54, 57
Manila Times, 10
Maoism, 9-11
Mao Zedong, 9, 71, 74
Marcos, Ferdinand E., 4, 12, 26-31, 33-36, 38, 40, 42, 46-52, 54-61, 63, 65-68, 70-71, 73-76, 78-84
Marcos, Imelda Romualdez, 63-64
Marxism, 10, 58, 79, 80
McKinley, William, 1-2
Middle East, 49
Mindanao, 49, 51, 87-88
Mindanao Alliance, 50

Ministry of Defense, 31
Minsk, 18
Moro Liberation Front, 69
Moscow, 18, 20
Movement for a Free Philippines, 70, 73
Movement for National Security, 76
Movement for Philippine Sovereignty and Democracy, 75
Muslims, 28, 35, 49, 82

Nacionalista party, 77
Nashan, 20
National Press Club, 10
Nation, The, 69
NATO (North Atlantic Treaty Organization), 22
New Left, 74-75
New People's Army (NPA), 11, 35, 49, 60, 71, 79, 82, 87-88
Nicaragua, 65, 80, 88-89
Nixon, Richard, 66
North America, 70
Northern Ireland, 29
North Korea, 4, 16, 53

Pakistan, 53
Palawan Province, 19-20
Pan Am Airlines, 54
Paracel Islands, 19, 21
Pelaez, Emanuel, 84
Pentagon, 67
Philippine National Day, 58
Philippine Solidarity Network, 68
Plaza Miranda, 26
Pol Pot, 33
Popular Church, 80
Prebisch, Raul, 72-73
Presidential Security Command, Philippine, 31
Princeton University, 69
Pringle, Robert, 47

Ramos, Narciso, 22
Reagan, Ronald, 55, 78
Reed Bank, 20
Rizal, José, 60
Rock Christ, 33
Roman Catholic Church, 34, 54, 65, 68, 70, 72-73, 78-79, 90
Rome, 80
Romulo, Carlos, 8
Rusk, Dean, 22

Samar, 49, 80, 88
San Francisco Chronicle, 69
Saudi Arabia, 4
Serrano, Felixberto, 21
Singapore, 4, 18, 19, 76
Sin, Jaime Cardinal, 54, 68
South China Sea, 15, 18-20
Southeast Asia, 2, 15, 20-22, 25, 33, 73, 92
South Korea, 4
South Vietnam, 19
Soviet Pacific Fleet, 17-18
Soviet Union, 17-18, 20, 23, 49, 72-73, 92
Spain, 1, 9, 12, 26, 60
Spanish-American War, 1
Spratly Islands, 19-21
Sri Lanka, 53
State Department, U.S., 32, 68
Steinberg, David, 33
Studies in Philippine Political Economy, 75
Subic Bay Naval Base, 16, 18
Supreme Court, Philippine, 27-28

Taft, William Howard, 13
Tagalog, 43, 51
Taipei, 54
Taiwan, Republic of China on, 4, 15, 17, 19-21, 76
Taiwan Strait, 17
Tañada, Lorenzo, 59, 70, 74-75
Tarlac, 61
Thailand, 18-19
Thitu, 20
Tiglao, Rigoberto, 42
Tizard Bank, 20
Tokyo, 54
Tydings-McDuffie Act, 16

United Church of Christ, 33
United Nationalist Democratic Organization (UNIDO), 59, 76, 78
United Nations Conference on Trade and Development (UNCTAD), 72
United Nations International Covenant on Civil and Political Rights, 27
United Party of Democratic Socialists, 73
United States Commodity Credit Corporation, 86
United States Pacific Trust Territories, 21
United States Seventh Fleet, 17
Universal Declaration of Human Rights, 29
University of the Philippines, 10

Vatican, 79
Vietnam, 2, 16-21, 33, 88
Villegas, Edberto M., 75
Virata, Cesar, 53
Visayas, 51, 87

Wall Street, 67
World Bank, 6, 24, 41, 53, 86
World War I, 15
World War II, 3, 14-16, 29, 33

Zaibatsu, 46
Zobel, Enrique, 81

CENTER ESSAYS

45. Revolution, Terrorism, and U.S. Policy, *Ernest W. Lefever*
Terrorism, increasingly used by leftist revolutionaries who seek power by the bullet rather than by the ballot, is a serious threat to democratic government and to the U.S. interest in stability and peaceful development.

46. Reducing Risk by Restoring Strength: Reflections on Nuclear War
W. Scott Thompson
The risk of nuclear war decreases when U.S. and Soviet forces are approximately equal and when we have confidence in the quality of our deterrent, says the author. He deals also with the morality of self-defense, the myth of overkill, and the pacifist temptation.

47. Global Paternalism: The U.N. and the New International Class Struggle
Jeane J. Kirkpatrick
Many U.N. representatives and staff members view its institutions as instruments to achieve the "new international economic order" by regulation, redistribution, and socialization of the world's wealth.

48. Who Speaks for American Judaism? Competing Approaches to Public Issues
Seymour Siegel, Marshall J. Breger, Joshua O. Haberman, and David Saperstein
Rabbi Siegel asserts that political liberalism, prevalent in the Jewish community, is true neither to Jewish interests nor to Jewish teachings; he sees signs of a turn toward conservatism. Responses to his theses are offered by a law professor, a leading Reform rabbi, and a religious activist.

49. Advancing Democratic Principles: A European Examines a Neglected American Asset, *Stephen Haseler*
To compete successfully with adversaries of the West in the battle of ideas, Americans should build more effectively on the near universal recognition that the United States is democratic, free, and dynamic, while the Soviet Union is "repressive, bureaucratic, and boring."

50. Speaking to the World: Four Protestant Perspectives
Richard John Neuhaus, Earl G. Hunt, Jr., Paul Ramsey, and Philip R. Cousin
Lutheran theologian Neuhaus asserts that the current crisis in Christian social ethics is fundamentally a crisis of faith, and that a thorough theological renewal is called for. Responses by a Methodist bishop, a professor of religion, and an African Methodist Episcopal bishop follow.

51. We and They: Understanding Ourselves and Our Adversary, *Jeane J. Kirkpatrick*
An incisive analysis of the worldwide Soviet threat to freedom and a call for the United States to defend itself and Western civilization by military and other necessary measures.

52. A Tribute to Lech Walesa, *Ernest W. Lefever, ed.*
Statements honoring the Polish patriot by President Reagan, Ambassador Jeane Kirkpatrick, Ambassador Max Kampelman, Dr. Zbigniew Brzezinski, Mayor Edward Koch, Governor Thomas Kean, and others, with a message from Walesa.

53. If East Europeans Could Vote: A Survey, *Henry O. Hart*
Opinion research by Radio Free Europe among Eastern Europeans finds a widespread antipathy to Communist regimes (only 4 to 7% of responding Czechs, Hungarians, and Poles support the party) and a strong preference for Democratic Socialist and Christian Democratic systems.

54. Central America in U.S. Domestic Politics, *Mark Falcoff*
The debate over U.S. policies in Central America is more often a reflection of domestic political differences than a realistic appraisal of the region. A Latin American scholar identifies the sources of common errors and points out the real problems we face there.

55. The Grenada Mission: Crisis Editorializing in the *New York Times*, *Wall Street Journal*, *Washington Post*, and *Washington Times*
Foreword by Edwin M. Yoder, Jr.; edited by Raymond English
The fourteen editorials reprinted here, from the two weeks following the landing of U.S. forces on Grenada in October 1983, show a diversity of response, from cheers to unremitting hostility. Veteran journalist Edwin Yoder gives an overview, and an appendix chronicles events on Grenada that led to the U.S. action.

Essays are $2 each.
Postpaid if payment accompanies order.
Orders of $25 or more, 10 per cent discount.

ETHICS AND PUBLIC POLICY STUDIES

Crisis and Opportunity: U.S. Policy in Central America and the Caribbean

edited by Mark Falcoff and Robert Royal

1984 503 pages cloth $19, paper $12

A stimulating and comprehensive collection of fact and opinion on El Salvador, Nicaragua, and the Caribbean Basin in general. Ronald Reagan, Fidel Castro, Jeane Kirkpatrick, the U.S. Catholic Conference, the Kissinger Commission, Robert E. White, R. Bruce McColm, Guillermo Ungo, Shirley Christian, Tomás Borge, Ronald Radosh, Charles Krauthammer, Edén Pastora, and George F. Will are among the thirty authors.

The Apocalyptic Premise: Nuclear Arms Debated

edited by Ernest W. Lefever and E. Stephen Hunt

1982 429 pages cloth $15, paper $10

Thirty-one essays reflecting diverse views. Among the political leaders, theologians, journalists, professors, and strategic analysts represented are Ronald Reagan, Leonid Brezhnev, Margaret Thatcher, Pope John Paul II, Edward Kennedy, George F. Will, Jonathan Schell, Herman Kahn, Irving Kristol, George F. Kennan, Michael Novak, Wolfhart Pannenberg, and Vladimir Bukovsky.

The Republic of China and U.S. Policy: A Study in Human Rights

by A. James Gregor and Maria Hsia Chang 1983 160 pages $7

A study of the profound differences in concept and practice of human rights between totalitarian and authoritarian states, with emphasis on the Republic of China on Taiwan and the continuing threat facing it from Communist China. Writing from a realistic and democratic perspective, the authors offer guidelines for U.S. policy toward any authoritarian regime under siege.

Ethnic Groups in History Textbooks

by Nathan Glazer and Reed Ueda 1983 80 pages $5

From a study of six current high school texts in American history, the authors conclude that the textbook writers, in attempting to foster respect for ethnic groups, tend to overemphasize victimization of minorities—particularly blacks, American Indians, Hispanics, and Asians—and the guilt of the majority, thus distorting the image of American society as a whole.

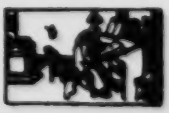
The Pope and Revolution: John Paul II Confronts Liberation Theology

edited by Quentin L. Quade

1982 205 pages cloth $12, paper $7

The Pope's 1979 Puebla (Mexico) speech rebuking "revolutionary" priests, and other supporting papal addresses; a definitive essay by "liberation theologian" Gustavo Gutiérrez; and critical examinations of the Puebla message and of liberation theology by Michael Novak, Dale Vree, and James V. Schall, S.J.

Ten per cent discount on orders of $25 or more.
Complete catalog available upon request.



Ethics and Public Policy Center
1030 Fifteenth Street N.W.
Washington, D.C. 20005

ISBN 0-89633-087-7

126

BEST COPY AVAILABLE